

Please note: These transcripts are not individually reviewed and approved for accuracy.

BEFORE THE  
CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD MARKET  
DEVELOPMENT COMMITTEE

IN THE MATTER OF THE:                     )  
                                                           )  
MARKET DEVELOPMENT                     )  
COMMITTEE MEETING                     )  
\_\_\_\_\_ )

DATE AND TIME:           THURSDAY, MAY 8, 1997  
                              9:30 A.M.

PLACE:                    BOARD HEARING ROOM  
                              8800 CAL CENTER DRIVE  
                              SACRAMENTO, CALIFORNIA

REPORTER:                BETH C. DRAIN, RPR, CSR  
                              CERTIFICATE NO. 7152

BRS FILE NO.:            39653

APPEARANCES

MR. PAUL RELIS, CHAIRMAN  
MR. WESLEY CHESBRO, MEMBER (NOT PRESENT)  
MR. DANIEL G. PENNINGTON, MEMBER

STAFF PRESENT

MR. RALPH CHANDLER, CHIEF EXECUTIVE OFFICER  
MS. DEBORAH BORZELLERI, LEGAL COUNSEL

MS. WENDY ROBERSON, COMMITTEE SECRETARY

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## I N D E X

	PAGE_NO.
	-----
CALL TO ORDER	4
EX PARTE COMMUNICATIONS	4
ITEM 1: REPORT FROM THE DEPUTY DIRECTOR	4
ITEM 2: CONSIDERATION OF PERSONAL GUARANTY GUIDELINES FOR THE RECYCLING MARKET DEVELOPMENT REVOLVING LOAN PROGRAM.	
STAFF PRESENTATION	12
PUBLIC TESTIMONY	17
COMMITTEE DISCUSSION	18
ACTION	22
ITEM 3: (PULLED) CONSIDERATION OF 1997 RECYCLING MARKET DEVELOPMENT ZONE LOAN PROGRAM ELIGIBILITY, PRIORITY, AND LENDING PROCEDURES.	
ITEM 4: (PULLED) CONSIDERATION OF ADOPTION OF PROPOSED REGULATIONS TO THE RECYCLING MARKET DEVELOPMENT REVOLVING LOAN PROGRAM.	
ITEM 5: PRESENTATION OF QUARTERLY PROGRESS REPORT ON THE RECYCLING MARKET DEVELOPMENT ZONE PROGRAM'S MARKETING STRATEGY FOR 1996-1997.	24
ITEM 6: UPDATE ON THE IMPLEMENTATION OF THE PRIVATE BUY RECYCLED STRATEGY.	42
ITEM 7: OPEN DISCUSSION	--
ITEM 8: ADJOURNMENT	73

1

2 SACRAMENTO, CALIFORNIA; THURSDAY, MAY 8, 1997

3 9:30 A.M.

4

5 CHAIRMAN RELIS: CALL TO ORDER THE MARKET  
6 DEVELOPMENT COMMITTEE. WENDY, WOULD YOU PLEASE  
7 CALL THE ROLL.

8 THE SECRETARY: MEMBER CHESBRO. MEMBER  
9 PENNINGTON.

10 MEMBER PENNINGTON: HERE.

11 THE SECRETARY: CHAIRMAN RELIS.

12 CHAIRMAN RELIS: HERE.

13 OKAY. WE WILL HAVE FIRST TODAY ANY  
14 EX PARTES.

15 MEMBER PENNINGTON: NO, I DON'T THINK I  
16 HAVE ANY.

17 CHAIRMAN RELIS: NO EX PARTES. WE WILL  
18 THEN PROCEED TO CALL ON CAREN TRGOVCICH FOR HER  
19 REPORT.

20 MS. TRGOVCICH: GOOD MORNING, MR.  
21 CHAIRMAN AND MEMBERS. I'M CAREN TRGOVCICH, DEPUTY  
22 DIRECTOR OF THE WASTE PREVENTION AND MARKET  
23 DEVELOPMENT DIVISION. I HAVE A VERY BRIEF REPORT  
24 FOR YOU THIS MORNING.

25 FIRST, I'D JUST LIKE TO NOTE THAT WE

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1 ARE IN THE PROCESS OF COMPLETING THE QUARTERLY  
2 MARKETS REPORT FOR THE FIRST QUARTER OF 1997. WE  
3 HAVE SOME NEW ADDITIONS TO THE REPORT THIS  
4 QUARTER. WE ARE CONTINUING TO DETAIL PRICE TRENDS  
5 FOR THE VARIOUS MATERIALS AND MARKET FACTORS  
6 BEHIND THOSE TRENDS. HOWEVER, WE ARE ALSO NOW  
7 IDENTIFYING OPPORTUNITIES THAT WE SEE FOR LOCAL  
8 DIVERSION IN CERTAIN MATERIAL AREAS, SUCH AS  
9 PLASTIC, GLASS, COMPOST, AND OTHER MATERIALS. FOR  
10 EXAMPLE, THE LAST REPORT IDENTIFIED A STRONG  
11 DEMAND FOR POSTCONSUMER HDPE FROM IRRIGATION AND  
12 PLUMBING PIPE MANUFACTURERS AS WELL AS OTHER  
13 ENTITIES.

14 SO WHAT WE'RE TRYING TO DO WITH THE  
15 REPORT IN THIS NEXT CYCLE IS TRY TO ENHANCE ON  
16 WHERE THE OPPORTUNITIES ARE FOR LOCAL GOVERNMENTS  
17 GIVEN PRICING, GIVEN AVAILABILITY, SUPPLY, ETC.

18 CHAIRMAN RELIS: WHEN ARE WE GOING TO SEE  
19 THAT, CAREN?

20 MS. TRGOVCICH: THE NEXT QUARTERLY  
21 MARKETS REPORT WILL -- IT WILL NOT BE IN PRINT FOR  
22 ABOUT ANOTHER MONTH, MONTH AND A HALF. AND WE'RE  
23 IN THE PROCESS OF GOING THROUGH THE VARIOUS  
24 MATERIAL TYPES. I BELIEVE THE LAST ONE WAS  
25 PUBLISHED JUST PRIOR TO THE ZONE ADMINISTRATORS

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1 CONFERENCE, SEVERAL WEEKS PRIOR TO THAT.

2 CHAIRMAN RELIS: I THINK THAT'S A GREAT  
3 IDEA TO HAVE THE MARKET NICHE EXPOSED.

4 MS. TRGOVCICH: ONE OF THE THINGS THAT  
WE  
5 TRIED TO DO WITH THIS LAST REPORT, WE INCLUDED A  
6 SURVEY IN THE REPORT THAT WENT OUT BECAUSE WHAT  
WE  
7 WANTED TO DO WAS ASSESS WHO ARE OUR CUSTOMERS FOR  
8 THIS REPORT, WHO'S RECEIVING IT, WHO'S READING  
IT,  
9 ONE, TO DETERMINE, YOU KNOW, IS IT AN ACTIVITY  
10 THAT WARRANTS, YOU KNOW, FURTHER RESOURCE  
11 COMMITMENT; AND IF SO, ARE WE TARGETING IT  
12 APPROPRIATELY.

13 SO WHAT WE'RE TRYING TO DO IS  
14 RESPOND TO WHO THE READERS OF THIS PUBLICATION  
15 ARE. AND WE HAVE A LOT OF LOCAL GOVERNMENT  
16 READERS THAT GET THIS PUBLICATION AND THAT USE IT  
17 AS IT RELATES TO THEIR LOCAL PROGRAMS.

18 ADDITIONALLY, WE ARE IN THE PROCESS  
19 NOW OF PREPARING A GRANT APPLICATION TO U.S. EPA.  
20 I THINK I'VE INFORMED SEVERAL OF YOUR OFFICES  
THAT

21 U.S. EPA HAS LOOKED AT OUR COMPOST DEMONSTRATION  
22 PROJECTS, AND THEY SEE THE OPPORTUNITY TO BE ABLE



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23       TO DISSEMINATE INFORMATION AND BE ABLE TO FURTHER  
24       THE USE OF COMPOST IN THIS ARENA.  
25               AND SO WHAT THEY'RE LOOKING TO DO  
IS

1 PROVIDE US WITH \$15,000 IN FUNDS TO PUBLICIZE AND  
2 PRODUCE FACT SHEETS AROUND THE OUTCOMES OF THE  
3 RECENTLY COMPLETED FIVE AG COMPOST DEMO PROJECTS.  
4 SO WE'RE TRYING TO GO THROUGH THE CONTROL AGENCY  
5 HOOPS RIGHT NOW TO BE ABLE TO GET THE NOTIFICATION  
6 IN TO BE ABLE TO GET THE APPLICATIONS THROUGH.

7 WE HAVE A FISCAL YEAR BARRIER HERE.  
8 THE MONIES WOULD NEED TO BE ENCUMBERED BY THE END  
9 OF THIS FISCAL YEAR, SO I CANNOT COMMIT TO YOU NOW  
10 THAT WE WILL BE ABLE TO MEET THAT DEADLINE SINCE  
11 THEY JUST RECENTLY MADE IT CLEAR THAT THEY ARE IN  
12 THE POSITION TO PROVIDE US WITH THESE FUNDS, AND  
13 WE ARE JUST NOW INITIATING THE PROCESS TO BE ABLE  
14 TO ENCUMBER THEM. SO WE'LL DO OUR BEST TO BE ABLE  
15 TO GET DOWN THAT PATH.

16 WE ALSO RECENTLY MAILED OUT TO ALL  
17 OF OUR ZONE ADMINISTRATORS AND OTHER PARTIES THAT  
18 WE KNOW ARE INTERESTED IN THE MARKETING ARENA WITH  
19 A MAILER OR A REQUEST, IF YOU WOULD CALL IT THAT,  
20 FOR CONCEPTS ON HOW TO MARKET THE ZONE PROGRAM.  
21 IF YOU WILL REMEMBER, THE STAFF OF THE PROGRAM  
22 SUBMITTED MARKETING CONCEPTS TO THE COMMITTEE --  
23 WE SUBMITTED THEM ACTUALLY THROUGH THE INTERNAL  
24 PROCESS MANY MONTHS AGO.

25 ONE OF THE CONTRACT CONCEPTS ON  
THAT

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1 LIST WAS FOR MARKETING ASSISTANCE AT THE DOLLAR  
2 AMOUNT, I BELIEVE, OF \$200,000. AND WE HAD BEGUN  
3 PROCEEDING ON IDENTIFYING WAYS TO DELIVER THIS  
4 ASSISTANCE TO THE ADMINISTRATORS. WHAT BECAME  
5 APPARENT WAS WHAT WE WERE TRYING TO DO IS TAKE OUR  
6 APPROACH ON HOW TO DELIVER THIS ASSISTANCE AND  
7 ASSUME THAT IT'S THE APPROACH THAT WAS GOING TO  
8 WORK FOR EVERYONE.

9 SO WHAT WE'VE DONE IS BACKED UP A  
10 FEW STEPS, AND WE'VE SENT OUT A SOLICITATION  
11 LETTER SAYING TELL US WHAT YOUR IDEAS ARE ON HOW  
12 TO DELIVER THIS ASSISTANCE. IT MAY LOOK VERY  
13 DIFFERENT THAN WHAT WE WERE PROPOSING, AND WE'LL  
14 BE BRINGING THAT BACK TO YOU AT YOUR JULY MEETING.

15 I RECEIVED SEVERAL CALLS FROM ZONE  
16 ADMINISTRATORS IN THE LAST FEW DAYS AND THEY'RE  
17 PRETTY EXCITED. I TALKED TO ONE YESTERDAY AND SHE  
18 BASICALLY SAID, YOU KNOW, THIS IS GREAT. WE'VE  
19 GOT A LOT OF IDEAS. AND BY THE WAY, CAN WE SUBMIT  
20 AN IDEA THAT WILL BENEFIT OUR ZONE DIRECTLY? AND  
21 I SAID, WELL, YOU CAN, BUT THERE ARE LIMITED  
22 FUNDS, SO IT MAY -- YOU MAY WANT TO PROPOSE IT AS  
23 MORE OF A REGIONAL OR STATEWIDE CONCEPT. BUT I  
24 THINK THERE'S A LOT OF EXCITEMENT OUT THERE, AND  
25 IT'S ONE OF THE FIRST TIMES THAT WE'VE DONE THIS

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1 WHERE WE'VE GONE OUT AND SAID WE WANT YOU TO TELL  
2 US HOW TO DO THIS. SO IT'S BEEN A GOOD ATTEMPT.

3 WE HAVE OUR RMDZ WEB PAGE IS JUST  
4 ABOUT READY TO GO UP ON THE INTERNET. WE ARE IN  
5 THE PROCESS OF COMPLETING ALL OF THE ASPECTS TO  
6 IT. WE WILL BE LINKING THE RMDZ WEB PAGE TO OTHER  
7 ZONE ADMINISTRATOR PAGES AND TO THE ASSOCIATIONS  
8 PAGE. SO WE HOPE THAT THIS IS A GREAT NEXT STEP  
9 TOWARDS ENHANCING THE COMMUNICATION THAT WE'VE  
10 BEEN TALKING ABOUT WITH THE ZONE ADMINISTRATORS  
11 AND PROVIDING MORE INFORMATION ON THE PROGRAM  
12 ESPECIALLY THROUGH THIS MEDIA.

13 WE ARE PROCEEDING TO CALL BUSINESSES  
14 THAT ARE LISTED ON BOTH THE C&D AND COMPOST LIST  
15 TO PROMOTE THE PROGRAMS, AND WE'RE MAKING  
16 FOLLOW-UP CALLS. I'D LIKE TO JUST HIGHLIGHT VERY  
17 BRIEFLY A SPECIFIC EFFORT THAT WE'VE INITIATED.

18 AS YOU'RE ALL FAMILIAR WITH TALCO  
19 PLASTICS AND JOHN SHEDD, IT'S A PLASTIC PROCESSOR  
20 AND TWO-TIME LOAN RECIPIENT. JOHN HAS BEEN  
21 INCLUDING OUR LOAN PROGRAM BROCHURES IN HIS  
22 MONTHLY CUSTOMER BILLINGS. SO WE HAVE A LOAN  
23 RECIPIENT THAT IS TAKING THE MARKETING OF THE  
24 PROGRAM ON AND DISTRIBUTING THE BROCHURES. IT'S

A

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25 WIN FOR HIM; IT'S A WIN FOR US. AND IT HAS

1       GENERATED A POTENTIAL LOAN APPLICATION SO FAR IN  
2       THE NORTH SAN DIEGO AREA.

3                       SO WE'RE DOING -- TRYING TO GET TO  
4       SOME INNOVATIVE APPROACHES, AND THEY ARE YIELDING  
5       SOME RESULTS HERE.

6                       FINALLY, I'D JUST LIKE TO REPORT  
7       BRIEFLY ON THE LOAN STATUS AS I DO EACH MONTH. AS  
8       OF APRIL 30TH, 54 LOANS WERE CLOSED IN THE AMOUNT  
9       OF \$21.5 MILLION, AN ADDITIONAL SIX ACTIVE LOAN  
10      APPLICATIONS, INCLUDING ONE FUNDED WITH TIRE  
11      DOLLARS, IN THE AMOUNT OF \$2.9 MILLION, HAVE BEEN  
12      APPROVED BY THE BOARD BUT NOT YET CLOSED.

13                      SO WE'RE PROCEEDING TO TRY TO BE  
14      ABLE TO CLOSE THOSE LOANS IN PROCESS. WE ARE  
15      WORKING VERY DILIGENTLY WITH THE LOAN RECIPIENTS,  
16      WITH THE APPROVED RECIPIENTS, TO BE ABLE TO GET  
17      THOSE APPRAISALS DONE TO BE ABLE TO MOVE THEM  
18      THROUGH THE CLOSING PROCESS.

19                      AND WITHIN THE FUNDS THAT I JUST  
20      MENTIONED, JUST TO LET YOU KNOW, THAT MCCOY  
21      SANITARY SUPPLY COMPANY, AND THEY'RE INCLUDED IN  
22      THE OVERALL FIGURES, THEY RECEIVED A BOARD -- A  
23      LOAN FROM THE BOARD TO THE TUNE OF \$60,000 IN  
24      1994, AND THEY HAVE FULLY PAID OFF THEIR LOAN. SO  
25      THIS LOAN WAS PAID OFF AS A PART OF AN INCREASED



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1       FINANCING TO MEET MCCOY'S EXPANDING WORKING  
2       CAPITAL, AND IT REPRESENTS THE FIFTH PROGRAM LOAN  
3       TO PAY OFF EARLY IN THIS PROGRAM.

4                   I BELIEVE THAT THREE OF THE LOANS  
5       THAT HAVE PAID OFF ARE FROM THE EXISTING PORTFOLIO  
6       AND TWO ARE FROM LOANS THAT WERE CLOSED AND WERE  
7       SOLD TO CRF DURING THE LOAN SALE. SO WE HAVE FIVE  
8       NOW OUT OF THE PROGRAM TOTAL THAT ARE FULLY PAID.

9                   AND THAT CONCLUDES MY REPORT.

10                  MEMBER PENNINGTON: MR. CHAIRMAN, I'D  
11       LIKE TO ASK A QUESTION. ON THE U.S. EPA GRANT, IF  
12       YOU ARE UNABLE TO, BY THE 30TH OF JUNE, CAN WE  
13       JUST ROLL IT INTO NEXT YEAR?

14                  MS. TRGOVCICH: WE'RE TRYING TO PURSUE  
15       THAT WITH THEM. THERE IS A TIMING ISSUE  
16       ASSOCIATED WITH THEIR FUNDS. ALTHOUGH THEY ARE ON  
17       A FEDERAL FISCAL YEAR, WHICH PUSHES THEM INTO  
18       SEPTEMBER 30TH, THERE IS A TIMING ISSUE, AND WE'RE  
19       TRYING TO EXPLORE THAT WITH THEM TO SEE IF IT IS A  
20       POSSIBILITY.

21                  MEMBER PENNINGTON: OKAY.

22                  CHAIRMAN RELIS: YOU KNOW, I WAS  
23       THINKING, AS WE LOOK AT GETTING QUITE CLOSE TO THE  
24       25 MILLION MARK ON OUR LOAN PROGRAM, AND I WONDER  
25       IF WE SHOULD CONSIDER HAVING SOME PRESS EVENT OR

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1       SOMETHING TO TIE INTO THAT NUMBER BECAUSE THAT'S A  
2       PRETTY SIGNIFICANT NUMBER. I WOULD ASK THAT  
3       PERHAPS THE PUBLIC INFORMATION OFFICE CONSIDER AN  
4       APPROACH WE MIGHT TAKE.

5               MS. TRGOVCICH: I'LL SIT DOWN WITH JOHN  
6       FRITH AND TALK ABOUT SOME POSSIBILITIES. THE 25  
7       MILLION, YOU KNOW, OF COURSE, WILL BE LINKED TO  
8       TONNAGE DIVERTED, LEVERAGED DOLLARS, JOBS  
CREATED,

9       ETC. WE CAN CERTAINLY DEPICT ALL OF THAT. WE'LL  
10      TRY TO MAYBE PREDICT WHAT THE TIMING WOULD BE  
11      AROUND THAT AND SEE WHAT MIGHT BE AN APPROPRIATE  
12      VENUE TO BE ABLE TO RELEASE THAT INFORMATION.

13             CHAIRMAN RELIS: OKAY, FINE. THANK YOU  
14      VERY MUCH.

15             THEN WE'LL PROCEED WITH THE AGENDA  
16      AND, IF YOU WOULD, CAREN.

17             MS. TRGOVCICH: CERTAINLY. THE NEXT  
ITEM

18      ON YOUR AGENDA TODAY IS CONSIDERATION OF PERSONAL  
19      GUARANTY GUIDELINES FOR THE RECYCLING MARKET  
20      DEVELOPMENT REVOLVING LOAN PROGRAM.

21             JUST BY WAY OF BACKGROUND, THIS  
ITEM

22      WAS PRESENTED PRELIMINARILY TO THE MARKETS  
23      COMMITTEE AT YOUR MEETING LAST MONTH. AT THAT

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24 MEETING THE STAFF LAID OUT THE BACKGROUND ON THIS  
25 ITEM, THE PROPOSED CHANGE IN THE GUIDELINE, AND

1        THAT WAS GOING FROM THE 10-PERCENT INTEREST TO A  
2        20-PERCENT INTEREST.  AND WE HAD OUR LOAN  
3        COMMITTEE MEMBER, JIM BAIRD, HERE TO DISCUSS HIS  
4        THOUGHTS ON THE PROPOSED GUIDELINE AND HOW IT WAS  
5        IN KEEPING WITH OTHER PUBLIC LENDING PROGRAMS.

6                    AND I THINK THAT WE GENERALLY HAD  
7        SOME VERY FAVORABLE SUPPORT FOR THAT.  THIS ITEM  
8        WAS -- THE STAFF WERE ASKED, GIVEN THE INTEREST  
9        THAT WAS EXPRESSED IN THE PERSONAL GUARANTY ISSUE  
10       AT THE FEBRUARY 5TH LOAN WORKSHOP, TO DISSEMINATE  
11       THE ITEM MORE BROADLY AND BRING IT BACK TO THE  
12       COMMITTEE THIS MONTH IN THE EVENT THERE WERE  
13       OTHERS THAT WANTED TO PROVIDE COMMENT ON THE  
14       PROPOSED GUIDELINE BEFORE THE COMMITTEE AND THEN  
15       THE BOARD.

16                   SO WE HAVE CIRCULATED THAT ITEM.  
17       IT'S MY UNDERSTANDING THAT THERE IS AN INTERESTED  
18       PARTY IN THE AUDIENCE THAT WOULD LIKE TO SPEAK ON  
19       THIS, AND I'D LIKE TO ASK THE COMMITTEE IF YOU  
20       WOULD LIKE THE STAFF TO PROVIDE A PRESENTATION ON  
21       THE ITEM OR IF YOU WOULD LIKE TO PROCEED WITH THE  
22       SPEAKERS.

23                   CHAIRMAN RELIS:  WELL, WE HAVE HAD THIS  
24       SUBJECT BEFORE US BEFORE.  I DON'T KNOW.  WHAT IS  
25       THE PLEASURE?  MR. PENNINGTON, DO YOU WANT TO HEAR

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1 ANOTHER PRESENTATION ON THIS OR PROCEED RIGHT TO  
2 IT.

3 MEMBER PENNINGTON: I THINK I WOULD LIKE  
4 TO HEAR THE STAFF.

5 CHAIRMAN RELIS: LET'S HAVE A STAFF  
6 REPORT. AND I WILL NOTE THAT ANYONE WISHING TO  
7 SPEAK ON THIS OR ANY OTHER ITEMS, PLEASE GO TO THE  
8 REAR OF THE ROOM. THERE'S A SPEAKERS FORM. BRING  
9 IT FORWARD TO WENDY HERE, AND WE WILL CALL ON YOU  
10 IN DUE ORDER.

11 MS. TRGOVCICH: BOB CAPUTI OF THE WASTE  
12 PREVENTION, MARKET DEVELOPMENT DIVISION WILL  
13 PROVIDE YOU WITH A BRIEF PRESENTATION, PROVIDING A  
14 VERY BRIEF BACKGROUND AND THEN OVERVIEW OF THE  
15 PROPOSED CHANGE IN THE GUIDELINES.

16 MR. CAPUTI: CHAIRMAN RELIS, MR.  
17 PENNINGTON. BOB CAPUTI, MANAGER OF THE LOAN  
18 PROGRAM.

19 THIS IS BASICALLY THE SAME ITEM THAT  
20 WAS PRESENTED IN THE APRIL 17TH MEETING. STAFF  
21 HAD BEEN DIRECTED TO PREPARE A STUDY COMPARING THE  
22 LOAN PROGRAM'S PERSONAL GUARANTY PRACTICES WITH  
23 THOSE OF OTHER GOVERNMENTAL LENDING PROGRAMS IN  
24 THE STATE, INCLUDING FEDERAL, STATE, AND LOCAL  
25 LENDING PROGRAMS.



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1                   AS A RESULT OF THAT REVIEW, IT WAS  
2       DISCOVERED THAT THERE WERE TWO MAIN DIFFERENCES  
3       BETWEEN THE LOAN PROGRAM'S PERSONAL GUARANTY  
4       GUIDELINES AND THOSE OF THE MAJORITY OF  
5       GOVERNMENTAL LENDERS IN THE STATE.

6                   FIRST, THE LOAN PROGRAM REQUIRES A  
7       PERSONAL GUARANTY FROM ANY PERSON OR BUSINESS  
8       OWNING 10 PERCENT OR MORE OF THE APPLICANT  
9       BUSINESS. THE MAJORITY OF OTHER GOVERNMENTAL  
10      LENDERS REQUIRE A PERSONAL GUARANTY WHEN THE  
11      OWNERSHIP INTEREST IS 20 PERCENT OR MORE.

12                  THE SECOND DIFFERENCE INVOLVED THE  
13      TAKING OF PERSONAL GUARANTIES FROM KEY MANAGEMENT  
14      PERSONNEL. THE LOAN PROGRAM HAD NOT REQUIRED  
15      PERSONAL GUARANTIES FROM KEY MANAGEMENT PERSONNEL  
16      WHILE THE MAJORITY OF OTHER GOVERNMENTAL LENDERS  
17      IN THE STATE DID REQUIRE SUCH GUARANTIES WHERE THE  
18      CREDIT WARRANTED SUCH ACTION.

19                  THIS ITEM WOULD CHANGE THE LOAN  
20      PROGRAM'S PERSONAL GUARANTY GUIDELINES, BRINGING  
21      THE PROGRAM INTO CLOSE PROXIMITY WITH THE OTHER  
22      LENDERS, GOVERNMENTAL LENDERS, IN CALIFORNIA.

23                  I WOULD ALSO NOTE THAT THESE  
24      GUIDELINES CONTAIN -- THE GUIDELINES CONTAINED IN  
25      THE ITEM HAVE BEEN REVIEWED BY THE LOAN COMMITTEE

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1 AND REFLECT THE RECOMMENDATIONS OF THE LOAN  
2 COMMITTEE.

3 THE GUIDELINES AS WOULD BE ADOPTED  
4 INCLUDE TAKING A PERSONAL GUARANTY FROM ANY PERSON  
5 OR BUSINESS OWNING 20 PERCENT OR MORE OF THE  
6 APPLICANT BUSINESS. KEY MANAGEMENT PERSONS,  
7 PERSON OR PERSONS, MAY BE REQUIRED TO PERSONALLY  
8 GUARANTEE THE LOAN REGARDLESS OF THEIR PERCENTAGE  
9 OF OWNERSHIP WHEN IT IS DETERMINED THE MANAGER OR  
10 MANAGERS HAS A SIGNIFICANT CONTROL OVER THE  
11 BUSINESS AND IT IS NECESSARY BECAUSE OF THE  
12 ABSENCE OF OTHER GUARANTIES AND/OR CREDIT ISSUES.

13 THE OWNERSHIP OF THE COMPANY WILL BE  
14 EXAMINED TO DETERMINE IF PARTIES ARE AFFILIATED.  
15 IF THE COMBINED OWNERSHIP OF THE AFFILIATED  
16 PARTIES IS 20 PERCENT OR MORE, A GUARANTY MAY BE  
17 REQUIRED FROM THE AFFILIATED OWNERS. THIS  
18 PRACTICE IS DISCRETIONARY AND WILL TYPICALLY ONLY  
19 BE UTILIZED TO ADDRESS THE LACK OF OTHER  
20 GUARANTIES AND/OR PROJECT CREDIT ISSUES.

21 A SECURED GUARANTY MAY BE REQUIRED  
22 WHEN THE APPLICANT BUSINESS CANNOT PROVIDE  
23 SUFFICIENT BUSINESS ASSETS TO ADEQUATELY  
24 COLLATERALIZE THE LOAN.

25 SO THOSE ARE THE THREE BASIC

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1 GUIDELINES THAT WOULD CREATE THE PERSONAL GUARANTY  
2 PROCEDURES THAT THE LOAN PROGRAM WOULD FOLLOW, AND  
3 WE WOULD BE VERY MUCH IN THE MAINSTREAM WITH THE  
4 OTHER GOVERNMENTAL LENDERS IN THE STATE.

5 CHAIRMAN RELIS: ANY QUESTIONS?

6 MEMBER PENNINGTON: NO, I'M FINE.

7 CHAIRMAN RELIS: SO I UNDERSTAND, THEN,  
8 THIS HAS BEEN WIDELY CIRCULATED.

9 MR. CAPUTI: WE HAD ONE OTHER RESPONSE  
10 AND THAT WAS FROM VENTURA COUNTY. THEY CONCURRED  
11 WITH THE RECOMMENDATIONS, AND THEY THOUGHT IT WAS  
12 A VERY INFORMATIVE ITEM.

13 CHAIRMAN RELIS: THANK YOU. THEN WE  
HAVE

14 ROBERT MAG?

15 MR. MOAG: MOAG.

16 CHAIRMAN RELIS: MOAG. WOULD YOU  
PLEASE

17 COME FORWARD. AND YOU'RE REPRESENTING EVERGREEN  
18 GLASS.

19 MR. MOAG: GOOD MORNING. I'M ROBERT  
MOAG

20 FROM EVERGREEN GLASS. AND WE JUST WANTED TO  
21 COMPLIMENT THE EFFORT THAT'S BEEN MADE ON  
22 RESEARCHING THE GUARANTY ISSUE. WE HAD A CHANCE  
23 TO GO THROUGH THE RECOMMENDATION BY MR. CAPUTI

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AND

24       THOUGHT IT MADE -- WAS CONSISTENT WITH BANKING

AND

25       FINANCIAL GUIDELINES AS WE UNDERSTAND THEM.

1                   THE ONLY COMMENT THAT WE WOULD ADD  
2           TO IT IS THAT UNDER THE SECURED GUARANTY ISSUE,  
3           AND THE ACTUAL PLEDGING OF PERSONAL ASSETS IN  
4           SUPPORT OF AN INDIVIDUAL GUARANTY, THAT DOES  
5           PRESENT A BIT OF AN OBSTACLE OR A BIT OF A BARRIER  
6           IN A COMPANY SUCH AS OURS WHERE WE HAVE 26  
7           DIFFERENT SHAREHOLDERS AND DIFFERENT OWNERS THAT  
8           ARE REPRESENTED.

9                   AND WHEREIN THE INDIVIDUAL THAT MAY  
10          BE ASKED TO GUARANTEE IS GREATER THAN 20-PERCENT  
11          OWNER, STILL THE PLEDGING OF PERSONAL ASSETS IN  
12          SUPPORT OF THAT GUARANTY DOES CREATE A BIT OF AN  
13          OBSTACLE.   AND THAT'S ALL WE WOULD REALLY PUT OUT.  
14          WE'RE IN SUPPORT OF THE RECOMMENDATION, AND IT  
15          MAKES GOOD LOGICAL SENSE.   AND IT'S JUST REALLY  
16          THE PLEDGING OF PERSONAL ASSETS.

17                 CHAIRMAN RELIS:   FROM WHAT I HEAR, YOU  
18          ARE SAYING IT'S AN OBSTACLE, BUT YOU ARE NOT  
19          SUGGESTING THAT WE CHANGE THE CONDITIONS, OR ARE  
20          YOU?

21                 MR. MOAG:   WE WOULD BE IN SUPPORT OF THE  
22          OVERALL RECOMMENDATION BY THE LOAN STAFF.   AND  
23          BECAUSE THE PLEDGING OF PERSONAL ASSETS BY THE  
24          BANKING INDUSTRY IS USED INFREQUENTLY AT BEST AND  
25          DOESN'T ALWAYS ADD THAT MUCH STRENGTH TO A



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1       GUARANTY POSITION, AT LEAST IN OUR OPINION, THAT  
2       THAT WOULD BE USED VERY INFREQUENTLY, BUT STILL BE  
3       AN OPTION OF THE BOARD IN WRITING A LOAN.

4               MS. TRGOVCICH:   MR. CHAIRMAN, MAYBE JUST  
5       TO OUTLINE FOR YOU, AND I DON'T KNOW IF BOB CAPUTI  
6       WANTS TO RESPOND TO THIS, BUT ONE OF THE REASONS  
7       WHY WE'RE CALLING THIS A GUIDELINE IS FOR THAT  
8       VERY REASON, TO GIVE THE LOAN COMMITTEE, AS WELL  
9       AS THE STAFF, THE FLEXIBILITY TO BE ABLE TO LOOK  
10      AT WHAT EXISTS.

11              WE RECEIVED, FOR EXAMPLE, A COMMENT  
12      LETTER FROM ONE OF OUR LOAN COMMITTEE MEMBERS, DON  
13      FRASER, AND IN HIS COMMENT LETTER OF APRIL 2D, HE  
14      BASICALLY SAID HE'S REVIEWED THE CHANGES, HE  
15      CONCURS WITH THE CHANGES; HOWEVER, THERE MAY BE  
16      TIMES WHEN WE WANT TO MAKE AN EXCEPTION.   THUS,  
17      THE VERY REASON FOR CALLING THIS A GUIDELINE.

18              CHAIRMAN RELIS:   SO, OKAY, WE HAVE THE  
19      FLEXIBILITY.   WE KNOW THERE'RE GOING TO BE ANY  
20      NUMBER OF CIRCUMSTANCES.   YOURS IS ALMOST  
21      STRUCTURED MORE LIKE, SOUNDS LIKE, ALMOST LIKE A  
22      LIMITED PARTNERSHIP.

23              MR. MOAG:   WE ARE A CORPORATION.   AND  
24      MAYBE JUST TO PROVIDE A SPECIFIC REASON WHY THERE  
25      WOULD BE RESISTANCE TO THE PLEDGING OF ASSETS,

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1       WHEN YOU LOOK AT PLEDGING ANY ASSETS, WHETHER  
2       THEY'RE REAL ESTATE ASSETS, WHETHER THEY'RE STOCKS  
3       AND BONDS, ETC., IT LIMITS THE MARKETABILITY OF  
4       THOSE SPECIFIC ASSETS THAT ARE PLEDGED; I.E., IF  
5       STOCK IS BEING PLEDGED AND MARKET CONDITIONS  
6       CHANGE, SUCH THAT THE OWNER OF THOSE SECURITIES  
7       WANTS TO LIQUIDATE OR MAKE A MOVE OUT OF THAT  
8       PARTICULAR STOCK, WHEN YOU PLEDGE THE SPECIFIC  
9       ASSET, IT MAKES IT DIFFICULT AND IT MAKES IT  
10      TEDIOUS TO PROTECT YOURSELF.

11                       REAL ESTATE IS A BIT OF A SLOWER.  
12      MARKET CONDITIONS DON'T NECESSARILY CHANGE THAT  
13      QUICKLY. BUT ESPECIALLY WHEN YOU'RE LOOKING AT  
14      SECURITIES AND BONDS, ETC., LIMITING THE  
15      LIQUIDATION OR THE MARKETABILITY OF THOSE TYPES OF  
16      SECURITIES CAN CAUSE A LOSS OF MONEY AND LOSS OF  
17      FLEXIBILITY IN MANAGING ONE'S PORTFOLIO.

18                       AND SO I WOULD JUST -- AGAIN, WE  
19      WOULD SUPPORT THE RECOMMENDATION. WE WANT TO  
20      LEAVE THE DISCRETION OF REQUIREMENT WITH THE  
21      BOARD, BUT WE DID WANT TO BRING UP THOSE  
COMMENTS.

22                       MS. TRGOVCICH: MR. CHAIRMAN, MAYBE  
JUST

23      AS WELL TO OFFER SOME ADDITIONAL INPUT INTO

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THAT,

24 I KNOW THAT IN THE POSITION THAT I CURRENTLY

HOLD,

25 THERE HAVE BEEN NUMEROUS OCCASIONS SINCE I'VE

1       TAKEN THIS JOB WHERE I'VE BEEN ASKED TO SIGN A  
2       RELEASE ALLOWING THE BORROWER -- I DON'T KNOW.  
3       WHAT'S THE TERM FOR IT, BOB? -- TO SUBSTITUTE  
4       COLLATERAL WHERE THERE ARE REASONS, YOU KNOW, AND  
5       THE BORROWER HAS CERTAIN NEEDS. SO WE ARE  
6       FLEXIBLE, AND WE DO PERFORM THOSE TRANSACTIONS ON  
7       A SOMEWHAT ROUTINE BASIS. SO WE TRY TO RESPOND TO  
8       THE NEEDS OF THE INDIVIDUAL COMPANY.

9               CHAIRMAN RELIS: WITH THE GUIDELINES AND  
10       WITH KNOWLEDGE OF OUR STAFF AND THE LOAN  
11       COMMITTEE, WE HAVE SET UP A SYSTEM TO BE ABLE TO  
12       DISCRIMINATE BETWEEN THESE DIFFERENT SITUATIONS  
13       THAT ARE ALWAYS ARISING IN LOANS. I HAVE REASON  
14       TO BELIEVE THAT SYSTEM IS WORKING WELL; AND WITH  
15       THESE GUIDELINES, IT WILL PERHAPS WORK EVEN  
16       BETTER. SO...

17              MEMBER PENNINGTON: I WOULD SAY, MR.  
18       CHAIRMAN, THAT I AGREE WITH THAT, THAT WE NEED THE  
19       FLEXIBILITY. AND THAT PARTICULARLY IN THE AREA  
20       WHERE WE PERHAPS NEED TO TAKE A LITTLE MORE RISK,  
21       SINCE WE'RE FINANCING IN SOME CASES THE  
22       DEVELOPMENT OF NEW MARKETABLE AREAS OR TRYING TO  
23       DEVELOP MORE SUSTAINABLE MARKETS FOR RECYCLED  
24       MATERIALS THAT MAYBE HAVEN'T BEEN APPLIED FOR IN  
25       THE PAST, SO I THINK THIS IS A GOOD STAFF WORK.

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1       AND I THINK IT GETS TO THE HEART OF THE ISSUE,  
2       THAT WE DON'T NEED TO BE SO, YOU KNOW, STEADFAST  
3       TO PERSONAL GUARANTIES AND YET CERTAINLY CALL FOR  
4       THEM WHEN WE NEED THEM.

5                       WITH THAT IN MIND, I'LL MOVE THE  
6       STAFF RECOMMENDATION.   ONLY ASK:   DO WE NEED A  
7       RESOLUTION?

8                       CHAIRMAN RELIS:   THERE IS NO RESOLUTION  
9       IN THE STAFF ITEM.

10                      MS. TRGOVCICH:   MAYBE I'LL ASK LEGAL ON  
11       THAT.   THIS IS A GUIDELINE AS OPPOSED TO IT IS NOT  
12       A REGULATION, IT IS NOT -- IN THAT SENSE.

13                      MS. BORZELLERI:   I'LL NEED TO LOOK INTO  
14       THAT, SO WE'LL FIGURE OUT BY THE BOARD MEETING  
15       WHAT WE NEED TO DO.

16                      CHAIRMAN RELIS:   SO MR. PENNINGTON HAS  
17       MOVED THIS AS A CONSIDERATION ITEM, AND I WILL  
18       SECOND THAT.   WE'LL CALL THE ROLL.

19                      THE SECRETARY:   MEMBER CHESBRO.   MEMBER  
20       PENNINGTON.

21                      MEMBER PENNINGTON:   YES.

22                      THE SECRETARY:   CHAIRMAN RELIS.

23                      CHAIRMAN RELIS:   YES.   AND WE'LL MAKE  
24       THIS A CONSENT ITEM SUBJECT TO WHATEVER THE  
25       CLARIFICATION IS ON WHETHER IT REQUIRES A



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1 RESOLUTION OR NOT. THANK YOU.

2 LET'S GO TO THE NEXT.

3 MS. TRGOVCICH: NEXT ITEM, MR. CHAIRMAN,  
4 IS PRESENTATION OF THE QUARTERLY PROGRESS REPORT  
5 ON THE RECYCLING MARKET DEVELOPMENT ZONE PROGRAM'S  
6 MARKETING STRATEGY FOR 1996/97.

7 FOR THE BENEFIT OF THE AUDIENCE,  
8 ITEMS 3 AND 4 WERE PULLED FROM TODAY'S AGENDA.  
9 ITEM NO. 3, WHICH IS CONSIDERATION OF THE LOAN  
10 PROGRAM ELIGIBILITY, PRIORITY, AND LENDING  
11 PROCEDURES HAS BEEN FORWARDED TO THE JULY MARKET  
12 DEVELOPMENT COMMITTEE MEETING IN ORDER TO BE ABLE  
13 TO ACCOUNT FOR THE INPUT SURVEY RESPONSES OF THE  
14 ZONE ADMINISTRATORS AND THE NEED TO MORE FULLY  
15 DEVELOP THAT ITEM.

16 ITEM NO. 4, CONSIDERATION OF  
17 ADOPTION OF THE PROPOSED REGULATIONS TO THE  
18 RECYCLING MARKET DEVELOPMENT REVOLVING LOAN  
19 PROGRAM, THAT ITEM WILL BE HEARD AT A SPECIAL  
20 COMMITTEE MEETING OF THE MARKET DEVELOPMENT  
21 COMMITTEE SCHEDULED FOR MAY 27TH, THE DAY BEFORE  
22 THE BOARD MEETING. THE REASON FOR THAT REVISED  
23 DATE WAS BECAUSE THE 15-DAY COMMENT PERIOD WILL  
24 NOT HAVE ENDED UNTIL CLOSE TO THAT TIME, AND THE  
25 COMMITTEE WANTED THE OPPORTUNITY TO TAKE AN ACTION

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1 ON THOSE REGULATIONS PRIOR TO IT MOVING TO THE  
2 FULL BOARD FOR CONSIDERATION.

3 JOHN BLUE WILL BE PRESENTING ITEM  
4 NO. 5 FOR YOU.

5 MR. BLUE: GOOD MORNING, COMMITTEE  
6 MEMBERS AND CHAIRMAN RELIS. THIS IS AN UPDATE FOR  
7 THE FIRST QUARTER IMPLEMENTATION OF THE MARKETING  
8 STRATEGY FOR 1997 FOR THE RMDZ PROGRAM. THIS  
9 REPORT IS FOR INFORMATIONAL PURPOSES ONLY AND  
10 REQUIRES NO ACTION BY THE COMMITTEE.

11 THE BOARD APPROVED THE RMDZ  
12 MARKETING STRATEGY IN MAY OF 1996. THE STRATEGY  
13 INCLUDED A REQUIREMENT FOR REGULAR REPORTS TO THIS  
14 COMMITTEE ON MARKETING ACTIVITIES. AND THE  
15 INFORMATION INCLUDED IN THIS ITEM REPRESENTS THE  
16 TIME PERIOD FROM JANUARY 1, '97, TO MARCH 31ST.

17 PARDON MY VOICE. I'M A LITTLE BIT  
18 RASPY.

19 THE -- I'M JUST GOING TO KIND OF RUN  
20 THROUGH THE TABLES INCLUDED IN THIS ITEM AND COVER  
21 SOME INFORMATION AND THEN GO INTO SOME MORE  
22 QUALITATIVE INFORMATION AS WELL HERE.

23 THIS QUARTER WE SENT OUT ABOUT 1100  
24 DIRECT MAIL SOLICITATIONS TO BUSINESSES THROUGHOUT  
25 CALIFORNIA, INCLUDING A LARGE NUMBER OF

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1 CONSTRUCTION AND DEMOLITION RELATED COMPANIES  
2 THROUGHOUT THE STATE. BOARD STAFF FOLLOWED UP AND  
3 MADE ABOUT A HUNDRED FIFTY PHONE CALLS TO  
4 BUSINESSES. AND FRESNO COUNTY STAFF ADDITIONALLY  
5 COMMITTED TO MAKING ANOTHER 500 CALLS TO  
6 BUSINESSES.

7 WE WERE UNABLE TO PLACE ANY ADS THIS  
8 QUARTER BECAUSE WE DON'T HAVE A BUDGET FOR AD  
9 PLACEMENT, BUT WE ARE WORKING ON SOME ARTICLES AND  
10 TRYING TO GET SOME ARTICLES PLACED, PARTICULARLY  
11 IN A LENDING INDUSTRY PUBLICATION PUT OUT BY THE  
12 FEDERAL RESERVE BANK ON THE LOAN PROGRAM.

13 WE RECEIVED FIVE APPLICATIONS FOR  
14 ABOUT \$2.6 MILLION IN THE FIRST QUARTER, AND ONE  
15 LOAN WAS WITHDRAWN FOR ABOUT \$200,000. AND THE  
16 BOARD APPROVED THREE LOANS FOR 1.7 MILLION. AN  
17 ADDITIONAL LOAN WAS CARRIED FORWARD TO THE SECOND  
18 QUARTER.

19 STAFF ASSISTED ABOUT A HUNDRED  
20 FIFTY-EIGHT DIFFERENT BUSINESSES WITH A VARIETY  
21 OF  
22 SERVICE REQUESTS AND FOR ANOTHER 35 OR SO TO ZONE  
23 ADMINISTRATORS AND ANOTHER ABOUT NINE TO OUTSIDE  
24 SERVICE PROVIDERS.

25 IN ADDITION TO THE MARKETING  
INFORMATION, I WANTED TO MAKE A BRIEF

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PRESENTATION

1 ABOUT R-TEAM AND RMDZ TECHNICAL ASSISTANCE  
2 ACTIVITIES. AS YOU KNOW NOW, THE R-TEAM AND THE  
3 RMDZ PROGRAM ARE HOUSED TOGETHER IN THE RECYCLING  
4 BUSINESS ASSISTANCE BRANCH. THIS HAS AFFORDED A  
5 MORE SEAMLESS PROVISION OF SERVICES TO  
BUSINESSES.

6 THE WAY IT'S WORKING NOW IS THAT  
7 CALLS COME ON THE R-TEAM HOTLINE AND THEY'RE  
8 FORWARDED BY GEOGRAPHIC LOCATION TO THE  
9 APPROPRIATE ZONE STAFF. THE ZONE STAFF THEN  
10 CONTACT THE BUSINESSES AND ARRANGE FOR  
APPROPRIATE  
11 ASSISTANCE. SIMPLE REQUESTS FOR PRINTED  
12 MATERIALS, ETC., ARE HANDLED DIRECTLY BY THE  
13 R-TEAM HOTLINE STAFF.

14 NOW ALL OF OUR BROCHURES FOR THE  
15 RMDZ PROGRAM AND ALL OF OUR LETTERS AND DIRECT  
16 MAIL INCLUDE THE R-TEAM HOTLINE NUMBER. WE  
MAKE A  
17 REAL EFFORT TO HAVE A LIVE BODY AT THAT NUMBER  
AT  
18 ALL TIMES SO WHEN BUSINESSES CALL, THEY GET A  
REAL  
19 PERSON, A SENSE OF SERVICE.

20 THE CENTRALIZED SYSTEM FOR



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HANDLING

21 CUSTOMER INQUIRIES ENSURES BETTER

RECORDKEEPING

22 AND REALLY MUCH BETTER CUSTOMER FOLLOW-UP.

23 THIS YEAR ALONE BUSINESSES THAT

HAVE

24 CONTACTED US, WHICH WE HAVE DATA FOR,

REPRESENT

25 ABOUT 1.3 MILLION TONS PER YEAR OF DIVERSION  
AND A

1 PROJECTED ADDITIONAL QUANTITY FOR ABOUT 53,000  
2 TONS. AND THIS IS ONLY FOR BUSINESSES THAT WE  
3 HAVE DATA FOR THAT HAVE PROVIDED US INFORMATION ON  
4 THEIR CURRENT DIVERSION TONNAGE.

5 AND JUST TO GIVE YOU A GENERAL SENSE  
6 OF THE INCREASES IN CALLS THAT WE'RE RECEIVING,  
7 NUMBERS OF CALLS ON THE LINE, IN THE LAST QUARTER  
8 OF '96, WE RECEIVED 67 CALLS ON THE R-TEAM  
9 HOTLINE. AND ALREADY THIS YEAR WE'VE RECEIVED A  
10 HUNDRED NINETY-TWO CALLS ON THAT LINE, AND 92 OF  
11 THEM JUST IN THE PAST MONTH AND A WEEK. SO IT'S A  
12 PRETTY SIGNIFICANT INCREASE IN THE CALLS COMING  
13 IN.

14 JUST IN GENERAL WANT TO COVER SOME  
15 OF THE BUSINESSES SO YOU HAVE A FEEL FOR WHAT  
16 WE'RE DOING AND SOME OF THE THINGS THAT ARE GOING  
17 ON OUT THERE.

18 ONE BUSINESS THAT WE'RE WORKING WITH  
19 CURRENTLY IS A COMPANY IN CENTRAL VALLEY AND  
20 THEY'RE USING PLASTIC FROM MILK JUGS AND TIRE  
21 RUBBER TO MAKE A VARIETY OF PRODUCTS, PALLETS AND  
22 SOME LIVESTOCK FEEDING BINS AND GARBAGE BINS,  
23 BUCKETS, SOME SIGNS, AND DECKING MATERIAL,  
24 NONSTRUCTURAL LUMBER APPLICATIONS.

25 AND STAFF ARE HELPING THEM TO FIND A

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1 PARTNER IN THE MERCED AREA TO WORK WITH. AND THEY  
2 WORKED FOR A WHILE WITH THE BUSINESS AND IT DIDN'T  
3 QUITE WORK OUT. AND NOW STAFF THEN FOLLOWED UP  
4 AND REFERRED THEM OUT TO AN SBDC AND WAS WORKING  
5 WITH THEM ON A MARKETING PLAN AND SOME FINANCING  
6 ALTERNATIVES.

7 CHAIRMAN RELIS: IS THAT AN R-TEAM-TYPE  
8 ACTIVITY?

9 MR. CAPUTI: THAT'S AN R-TEAM/ZONE  
10 ACTIVITY. IT'S IN A ZONE AND ZONE STAFF ARE  
11 WORKING ON IT. THE R-TEAM STAFF IS REALLY JUST  
12 ONE PERSON AND A COUPLE OF STUDENTS. AND WHAT  
13 HAPPENS IS THE CALL COMES IN ON THE R-TEAM LINE,  
14 AND THEN IT'S LOGGED, AND PASSED ON TO STAFF, AND  
15 THEY PROVIDE THE FOLLOW-UP SERVICES AND ENSURE  
16 THAT THE CUSTOMER IS TAKEN CARE OF.

17 THE -- ANOTHER COMPANY THAT WE'RE  
18 WORKING WITH IS DOWN IN KINGS COUNTY, AND IT'S A  
19 FOOD PROCESSING PLANT. AND THEY WANT TO GET MORE  
20 INVOLVED AND BECOME MORE GREEN AND RECYCLE MORE,  
21 SO STAFF ARE WORKING WITH THEM ON RECYCLING  
22 PROGRAMS AND GETTING THEM INTO CALMAX AND HOOKING  
23 THEM UP WITH A BAC IN NORTHERN CALIFORNIA TO HELP  
24 THEM WITH SOME OF THE TECHNICAL ASSISTANCE, AND  
25 ALSO PROVIDING RECOMMENDATIONS FOR DIFFERENT

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1 RECYCLERS IN THE AREA THAT COULD PROVIDE SERVICES  
2 THAT THEY NEED AND HOW IT CAN WORK BEST FOR THEM.

3 ANOTHER BUSINESS IS A START-UP, AND  
4 THEY WANT TO MAKE, ANOTHER CENTRAL VALLEY  
5 BUSINESS, AND THEY WANT TO MAKE FENCE POSTS. AND  
6 STAFF ARE WORKING WITH THEM ON FINDING THE  
7 PLASTICS THAT THEY NEED AND SOME TECHNICAL  
8 INFORMATION ABOUT THE MARKET FOR PLASTICS AND  
9 PLASTIC'S STRUCTURAL PROPERTIES.

10 ANOTHER CLIENT THAT WE'RE WORKING  
11 WITH IN THE CENTRAL VALLEY IS LOOKING FOR --  
12 ANOTHER -- IT'S ANOTHER PLASTIC LUMBER-TYPE  
13 APPLICATION -- AND THEY'RE WORKING TO PURCHASE A  
14 CLOSED MANUFACTURING PLANT. AND WE'RE WORKING  
15 WITH THEM ON LOAN ISSUES AND TECHNICAL ISSUES  
16 ABOUT PLASTICS -- IDENTIFYING PLASTICS LOCATIONS,  
17 FEEDSTOCK, AND AGAIN PLASTICS PROPERTIES.

18 ANOTHER -- SOME CALLS HAVE GOTTEN  
19 DIRECTLY ON THE R-TEAM LINE RECENTLY. WE'VE BEEN  
20 GETTING -- CAREN MENTIONED BEFORE THAT THE  
21 BROCHURES WERE SENT OUT THROUGH JOHN SHEDD'S  
22 OPERATION. WE'VE BEEN GETTING A LOT OF CALLS  
JUST

23 RECENTLY ON THOSE BROCHURES. ONE OF THEM IS  
24 MAKING AN INJECTION MOLDER MAKING PARTS FOR THE  
25 AEROSPACE INDUSTRY. AND HE'S -- THIS IS A

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1       STRAIGHT LOAN PROJECT, SO WE REFERRED THEM TO THE  
2       LOAN PROGRAM.

3                       ANOTHER COMPANY IS EXPANDING THEIR  
4       BUSINESS.  THEY WANT TO RELOCATE AND EXPAND THEIR  
5       OPERATION.  THEY'RE MAKING PIPE FITTINGS, PLASTIC  
6       FITTINGS.  AGAIN, IT'S ANOTHER JOHN SHEDD REFERRED  
7       PROJECT.  THIS HAS TURNED OUT TO BE AN EXCELLENT,  
8       AN EXCELLENT MOVE, BY THE WAY.  AS CAREN SAID,  
9       IT'S REALLY A WIN-WIN ACTIVITY.  THE COMPANY IS  
10      PLANNING TO EXPAND THEIR OPERATIONS AND MOVE, AND  
11      STAFF ARE WORKING WITH THEM ON THIS AND LOOKING TO  
12      SEE IF A LOAN IS IN THEIR FUTURE.

13                     ANOTHER CLIENT -- THIS IS NOT A JOHN  
14      SHEDD CLIENT -- CALLED, AND THEY HAVE PROPERTY.  
15      AND THIS IS NOT REALLY A ZONE BUSINESS  
16      MANUFACTURING, BUT IT'S REALLY MORE OF AN R-TEAM  
17      BUSINESS, BUT WE'RE TRYING TO HELP THEM HOWEVER WE  
18      CAN.  AND THEY WANT TO START A RECYCLING CENTER.  
19      THEY HAVE PROPERTY, AND SO WE'RE WORKING WITH THEM  
20      WITH THE CITY AND SMALL BUSINESS DEVELOPMENT  
21      CENTER TO GET THEIR OPERATION UNDER WAY OR FIND  
22      OUT WHAT THEY NEED TO DO.

23                     SOME OTHER PROJECTS STAFF -- WE  
24      FREQUENTLY GET INQUIRIES THAT AREN'T BUSINESS  
25      RELATED, BUT WE'RE KIND OF OBLIGATED.  THEY'RE



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1       OTHER STATE -- OTHER STATE'S RECYCLING AGENCIES.  
2       I -- TYPICALLY I'LL GET CALLS FROM TWO OR THREE  
3       STATES A QUARTER WANTING TO KNOW HOW THEY CAN  
4       START AN RMDZ PROGRAM, WHICH I GUESS IMITATION IS  
5       THE SINCEREST FORM OF FLATTERY. WE HAVE A --  
6       WE'VE BEEN FLATTERED QUITE A BIT IN THE PAST YEAR  
7       OR SO.

8                       ADDITIONALLY, WE'VE HAD A BUILDER  
9       FROM RANCHO SANTA MARGARITA WANTED TO KNOW ABOUT  
10      FINDING RECYCLED BUILDING PRODUCTS, RECYCLED-  
11      CONTENT BUILDING PRODUCTS. SO STAFF WALKED THEM  
12      THROUGH THE RECYCLED-CONTENT DATABASE ON THE  
13      BOARD'S WEB PAGE AND EXPLAINED HOW THEY CAN FIND  
14      VENDORS IN THEIR AREA. AND WE GOT REALLY GOOD  
15      FEEDBACK FROM THE CLIENT AS FAR AS ASSISTANCE THEY  
16      RECEIVED AND OUR WILLINGNESS TO WORK HER THROUGH  
17      THIS.

18                      STAFF IS ALSO WORKING WITH A  
19      CONSULTANT -- I WON'T NAME THE CITY BECAUSE IT  
20      WOULD GIVE AWAY THE BUSINESS -- BUT A RECYCLED-  
21      CONTENT CONSTRUCTION PRODUCTS MANUFACTURER IS  
22      TRYING TO STAY IN THE ZONE, AND THEY'RE HAVING  
23      SOME DIFFICULTIES WITH SOME LEGAL REQUIREMENTS  
24      THROUGH THE HOUSING AND REDEVELOPMENT AGENCY. AND  
25      STAFF HAVE BEEN WORKING WITH THEM AND TRYING TO

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1       HELP THEM WORK THIS PROBLEM OUT.

2                       ADDITIONALLY, STAFF ARE WORKING WITH  
3       A LOT OF CONSULTANTS FOR BUSINESSES.   THE  
4       CONSULTANT WILL CALL US AND THEY WON'T IDENTIFY  
5       WHO THE BUSINESS IS, BUT THEY'LL ASK FOR  
6       INFORMATION ABOUT THE ZONE PROGRAM AND HOW IT  
7       WORKS AND WHO LOCAL POINTS OF CONTACT AND THAT  
8       SORT OF THING, SO THEN THEY CAN SELL THIS  
9       INFORMATION, I GUESS.

10                      ADDITIONALLY, A LANDSCAPER IN THE  
11       PLACERVILLE RMDZ WANTS TO EXPAND HIS BUSINESS TO  
12       INCLUDE COMPOSTING.   SO STAFF ARE WORKING WITH  
13       HIM, TALKING ABOUT THE PERMITTING PROCESS, HOOKING  
14       HIM UP WITH LOCAL TECHNICAL ASSISTANCE.   AND HE  
15       ORIGINALLY WANTED TO EXPAND THE RMDZ TO INCLUDE  
16       HIS PROPERTY.   AND STAFF ARE TRYING TO OFFER SOME  
17       SIMPLER ALTERNATIVES, SUCH AS FINDING ANOTHER  
18       SITE.

19                      WE OFTEN GET INTERNATIONAL CALLS TO  
20       COMPANIES THAT ARE DOING BUSINESS OVERSEAS THAT  
21       WANT TO START FACILITIES IN CALIFORNIA.   AND WE  
22       RECENTLY HAVE BEEN WORKING WITH A COMPANY THAT'S  
23       AN INTERNATIONAL PLASTICS RECYCLING BUSINESS THAT  
24       HAS -- THAT REALLY WANTS TO COLLECT THE PROCESS  
25       AND SHIP MATERIALS OVERSEAS TO CHINA.   THEY'RE

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1 PLANNING TO MAKE TEXTILES OUT OF PLASTICS, AND  
2 THEY HAVE MONEY, THEY HAVE MARKET. ALL THEY NEED  
3 IS A SITE AND SOME ASSISTANCE FINDING THE  
4 MATERIALS TO DO IT. AND THIS IS A HUGE PROJECT.  
5 IT'S LIKE 10,000 METRIC TONS RIGHTS NOW.

6 CHAIRMAN RELIS: OF WHAT?

7 MR. CAPUTI: OF HDPE AND PET. AND SO --  
8 I'M SORRY. IT'S PET. THE -- SO STAFF WAS HELPING  
9 THEM WITH TRADE AND COMMERCE REGARDING SITE  
10 ASSISTANCE AND REGARDING THEIR VISA REQUIREMENTS  
11 FOR THE PROJECT. THAT'S A LITTLE BEYOND MY  
12 UNDERSTANDING, BUT EVIDENTLY COMING IN HERE  
13 INTERNATIONALLY AND DOING BUSINESS, THEY HAVE SOME  
14 REQUIREMENTS WITH CUSTOMS, I GUESS.

15 THE -- ANOTHER BUSINESS WE'RE  
16 WORKING WITH IS A FORMER LOAN BUSINESS. THEY  
17 STILL -- THEY STILL OWE US MONEY, BUT THEY'RE  
18 HAVING SOME DIFFICULTY FINANCIALLY, AND STAFF ARE  
19 WORKING WITH THEM TO TRY AND HELP THEM WITH LOCAL  
20 FEES AND OTHER ISSUES TO TRY AND HELP THEM OUT OF  
21 THEIR PROBLEMS.

22 STAFF ARE ALSO WORKING IN SOUTHERN  
23 CALIFORNIA WORKING WITH A WOOD RECYCLING BUSINESS.

24 AND WHAT HAPPENED WAS STAFF WENT DOWN TO MAKE A  
25 PRESENTATION IN SAN DIEGO, TO THE SAN DIEGO  
LOCAL

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1 TASK FORCE, REGARDING THE RMDZ PROGRAM. AND AT  
2 THIS MEETING SOMEONE IN THE AUDIENCE, A BUSINESS  
3 PERSON IN THE AUDIENCE, GRABBED THE STAFF PERSON  
4 AFTER THE MEETING AND TALKED ABOUT HIS BUSINESS.  
5 AND IT TURNS OUT WE'RE PROBABLY GOING TO BE ABLE  
6 TO DO A LOAN FOR THEM OR AT LEAST GET A LOAN  
7 APPLICATION FROM THEM TO FINANCE SOME NEW  
8 EQUIPMENT.

9 STAFF ALSO WORKED WITH OTHER OUTSIDE  
10 SERVICE PROVIDERS, OTHER STATE AGENCIES,  
11 ESPECIALLY TRADE AND COMMERCE AGENCY. AND STAFF  
12 ARE -- HAVE BEEN WORKING PUTTING SIGNIFICANT  
13 AMOUNT OF TIME WORKING ON A -- SITING A POSSIBLE  
14 FOREIGN PAPER RECYCLING PLANT IN THE L.A./INLAND  
15 EMPIRE AREA. AND STAFF HAVE BEEN PROVIDING  
16 INFORMATION ON PAPER, FEEDSTOCK, AND DIFFERENT  
17 MRF'S AND FACILITIES IN THE AREA THAT CAN PROVIDE  
18 THIS MATERIAL FOR THE COMPANY.

19 ANOTHER INTERNATIONAL COMPANY IS  
20 INTERESTED IN SITING IN THE L.A. AREA, AND THEY  
21 WANT TO MAKE CHARCOAL OUT OF SAWDUST AND WASTE  
22 WOOD. NOW, IT SEEMS LIKE A PRETTY SIMPLE PROCESS,  
23 BUT EVIDENTLY THERE'S MORE TO IT THAN THIS. BUT  
24 HE WANTED ASSISTANCE IN FINDING A PLANT SITE IN  
25 THE L.A. AREA AND FUNDING SOURCES. SO STAFF ARE



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1        ALSO HELPING THEM WITH FINDING LUMBER, URBAN  
2        WOODWASTE FOR THE PROJECT.

3                    ANOTHER PRETTY INTERESTING ONE AND A  
4        TYPE OF BUSINESS THAT WE'RE SEEING MORE OF IS FOOD  
5        WASTE PROCESSORS, PARTICULARLY FOOD WASTE TO PET  
6        FOOD PROCESSORS. WE'VE HAD A COUPLE OF THEM. THE  
7        ONE IN PARTICULAR THAT SEEMS THE MOST SERIOUS IS  
8        LOOKING IN SOUTHERN CALIFORNIA AREA, AND THEY WANT  
9        TO GET, I DON'T WANT TO SAY, INDUSTRIAL SIZE, BUT  
10       INSTITUTIONAL FOOD USERS, HOSPITALS, HOTELS, LARGE  
11       RESTAURANTS, PARTICULARLY HOSPITALS AND HOTELS ARE  
12       FAVORITE BECAUSE THEY HAVE A MUCH HIGHER VOLUME IN  
13       A SMALL AREA.

14                   AND THE FOOD IS -- THEY TAKE THE  
15       FOOD, GRIND IT, COOK IT, AND PUT IT INTO A BASE  
16       FOR PET FOOD. AND THEY'RE -- STAFF ARE WORKING ON  
17       THEM WITH TRYING TO FIND SOMEONE WHO WOULD BE  
18       INTERESTED IN DOING SOME HAULING FOR THEM AND ALSO  
19       ASSISTED THEM WITH FINDING A REGION IN THE  
20       SOUTHERN CALIFORNIA AREA THAT HAD A CONCENTRATION  
21       OF FOOD WASTE THAT WOULD FIT THE SIZE OF THEIR  
22       FACILITY.

23                   THEIR START-UP DIVERSION IS ABOUT 60  
24       TONS A DAY FOR THIS FACILITY, SO IT'S PRETTY LARGE  
25       AND IT'S EXPECTED TO INCREASE TO A HUNDRED TONS

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1 PER DAY FOR ONE EIGHT-HOUR SHIFT, SO IT'S A PRETTY  
2 SIZABLE OPERATION, AND CURRENTLY A PRETTY  
3 NEGLECTED WASTESTREAM.

4 STAFF ARE ALSO WORKING WITH SOME  
5 OTHER -- A POLYSTYRENE RECYCLING COMPANY WHO'S  
6 INTERESTED IN AN RMDZ LOAN AND WORKING WITH AN  
7 ENTREPRENEUR WHO WANTS TO SITE A CONSTRUCTION AND  
8 DEMOLITION RECYCLING FACILITY IN SOUTHERN  
9 CALIFORNIA. AND THIS SORT OF ASSISTANCE INCLUDED  
10 COORDINATING A MEETING WITH THE ZONE ADMINISTRATOR  
11 TO DISCUSS LOCAL PLANNING AND FINANCING ISSUES AND  
12 HOOKING THEM UP WITH OTHER LIKE THE SBDC AND LOCAL  
13 BUSINESS ASSISTANCE PROVIDERS.

14 ANOTHER ONE THAT'S KIND OF  
15 INTERESTING AND ANOTHER AREA THAT'S SORT OF BEEN  
16 NEGLECTED IN THE PAST ON A WASTESTREAM TYPE IS  
17 TEXTILE RECYCLING. AND THE -- IT'S FINDING OUT TO  
18 BE -- THERE'S SOME INTERESTING ISSUES REGARDING  
19 WHO IS CONTROLLING THE MARKETPLACE AND WHETHER OR  
20 NOT ALL THAT CLOTHING YOU GIVE TO CERTAIN  
21 CHARITIES IS ENDING UP IN THE LANDFILL AFTER ALL  
22 IS SAID AND DONE. AND IF YOU'D BE INTERESTED IN  
23 TALKING ABOUT IT, IT'S QUITE FASCINATING ABOUT  
24 SOME OF THE LAWS REGARDING SELLING OVERSEAS  
25 CLOTHING AND -- BUT STAFF ARE WORKING WITH SOME

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1       BUSINESSES IN THE L.A. AREA TO HELP THEM MAYBE SET  
2       UP A -- WORK WITH THE LOCAL GOVERNMENT TO SET UP A  
3       COLLECTION SYSTEM TO ADD TO A CURBSIDE PROGRAM TO  
4       PROVIDE MATERIALS FOR THEIR BUSINESSES.

5                       WE HAVE MANY, MANY OTHER BUSINESSES  
6       THAT WE'RE WORKING WITH RIGHT NOW. ONE OF THE --  
7       A COUPLE OF LARGER ONES THAT I WANT TO HIGHLIGHT  
8       RIGHT NOW IS THE -- A FIBERGLASS, A VERY LARGE  
9       FIBERGLASS MANUFACTURER IN THE SHASTA COUNTY AREA.  
10      AND THIS ONE WAS STAFF WERE INVOLVED WITH FOR  
11      SEVERAL MONTHS, MAYBE EVEN A YEAR, BEFORE THE  
12      COMPANY AGREED TO SITE IN SHASTA LAKE. AND STAFF  
13      WENT TO GREAT LENGTHS TO PROVIDE INFORMATION  
14      REGARDING AVAILABILITY OF RECYCLED GLASS IN THE  
15      NORTHERN CALIFORNIA AREA.

16                      AND THIS COMPANY HAS COMMITTED TO  
17      SITE IN CALIFORNIA AND BUILD A HUNDRED MILLION  
18      DOLLAR FACILITY, PROVIDE IT'S LIKE A HUNDRED  
19      JOBS,  
20      IT'S LIKE ABOUT A \$4 MILLION PAYROLL IN A VERY  
21      ECONOMICALLY DEPRIVED COMMUNITY. SO IT'S  
22      EXCELLENT FACILITY BESIDES DIVERTING 20,000 TONS  
23      PER YEAR OF GLASS.

24                      MEMBER PENNINGTON: BUT THERE SEEMS TO  
25      BE

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24       SOME OPPOSITION FROM THE LOCAL COMMUNITY.

25               MR. CAPUTI:   THERE'S SOME OPPOSITION  
FROM

1 SOME MORE VOCAL LOCAL MINORITY THERE, BUT I HAVE  
2 HEARD FROM THE OFFICIALS IN THE COMMUNITY THAT  
3 THEY FEEL IT'S STILL PRETTY MUCH A SURE THING.  
4 SO, ANYHOW, IF YOU HAVE ANY QUESTIONS, BE HAPPY TO  
5 ANSWER THEM. I'D LIKE TO CONCLUDE MY PRESENTATION  
6 AT THIS TIME.

7 CHAIRMAN RELIS: JUST A FEW REFLECTIONS.  
8 FIRST, I'M IMPRESSED BY THE, I GUESS, THE RANGE OF  
9 BUSINESSES, LARGE, SMALL. THESE ARE MANY OUTSIDE  
10 OUR LOAN AREA, AND I THINK SOMETIMES WE FORGET  
11 THAT THE ZONE PROGRAM IS NOT ONLY FOCUSED ON  
12 LOANS. WE'RE REALLY INTERESTED IN THE COMPLETE  
13 GAMUT OF RECOVERY ACTIVITIES AND MANUFACTURING  
14 ACTIVITIES, WHETHER RELEVANT FOR OUR LOAN MAKING  
15 OR NOT, BECAUSE THE ZONE CONCEPT IS ABOUT  
16 ATTRACTING AND BUILDING A MANUFACTURING BASE IN  
17 CALIFORNIA.

18 MR. CAPUTI: RIGHT.

19 CHAIRMAN RELIS: IT'S NEUTRAL ON WHETHER  
20 IT'S OUR MONEY OR NOT. AND OUR MONEY AT BEST IS  
21 ONLY GOING TO BE A SMALL FRACTION OF THE TOTAL  
22 CAPITAL INVESTMENT IN SUPPORT OF A 50-PERCENT  
23 DIVERSION RATE. SO IT'S FASCINATING TO HEAR THE  
24 RANGE OF BUSINESSES THAT STAFF IS IN CONTACT  
WITH.



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25

I THINK IT SPEAKS TO THE LEVEL OF

1 INTEREST IN ECONOMIC ENTERPRISE. I'M REMINDED OF  
2 OUR MEETING JUST A FEW WEEKS AGO WHERE YOU WERE  
3 THERE, JOHN AND CAREN, WITH A LARGE MRF OPERATION  
4 IN THE BAY AREA IN OAKLAND. AND I HEAR QUESTIONS  
5 ABOUT WHERE CAN WE GET MATERIALS. AND HOPEFULLY  
6 THE KINDS OF DISCUSSIONS THAT OUR ZONE ADMINISTRA-  
7 TORS AND OUR STAFF ARE HAVING ARE MINDFUL OF THE  
8 PLACES WHERE MATERIAL IS BEING COLLECTED AND  
9 PROCESSED SO THAT WE CAN FACILITATE LINKAGE  
10 BETWEEN SUPPLIERS AND USERS.

11 MS. TRGOVCICH: I THINK THAT WHAT JOHN  
12 WAS KIND OF OUTLINING FOR YOU WAS OUR R-TEAM  
13 REPORT. WE SUBMIT AN R-TEAM REPORT TO U.S. EPA ON  
14 A QUARTERLY BASIS, AND A LOT OF THE INFORMATION IN  
15 THERE CAME FROM THAT. WHAT WE REALLY TRY TO DO,  
16 AND YOU'VE POINTED IT OUT, IS THE LOAN PROGRAM IS  
17 JUST ONE ASPECT. WE SPEND A LOT OF TIME IN THE  
18 ZONES WITH BUSINESSES TRYING TO CONNECT THEM,  
19 TRYING TO HOOK THEM UP, FIND THEM THEIR NICHES,  
20 FIND THEM THEIR SUPPLY OF MATERIAL, ETC.

21 AND THIS IS THE ZONE PROGRAM'S  
22 MARKETING STRATEGY. IT'S NOT JUST THE LOAN  
23 PROGRAM, BUT THIS ITEM WAS ON THE ZONE. AND WE  
24 WANTED TO JUST GIVE YOU A SMATTERING. IT'S VERY  
25 DIFFICULT IN THIS SETTING TO DO THAT. AND SO  
WHAT

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1 I WOULD PROPOSE IS THAT WE WOULD BE PROVIDING YOU  
2 WITH, IN LIEU OF DESCRIBING FOR YOU ALL OF THOSE  
3 BUSINESSES, BECAUSE THERE ARE SO MANY AND THERE  
4 ARE SUCH A WIDE VARIETY, IS THAT WE WOULD PROVIDE  
5 YOU WITH A COPY OF THAT UPDATE WHEN WE SEND IT TO  
6 U.S. EPA ON A QUARTERLY BASIS. AND I THINK YOU  
7 WILL BE ABLE TO GET A MORE FREQUENT, YOU KNOW,  
8 ANALYSIS OF JUST WHAT IS IT THAT WE'RE DOING AND  
9 ALL THE DIFFERENT TYPES OF BUSINESSES.

10 CHAIRMAN RELIS: I THINK THAT'S VERY  
11 HELPFUL. A RELATED OBSERVATION IS, AND I WAS  
12 PREPARING LAST WEEK FOR A SWANA TALK ON MARKET --  
13 MANY OF THE BOARD MEMBERS, I KNOW YOU WERE THERE  
14 AS WELL, MR. PENNINGTON, I BELIEVE YOU WERE AT  
15 THIS ONE.

16 MEMBER PENNINGTON: I WAS THERE.

17 CHAIRMAN RELIS: -- WHAT MARKET  
18 DEVELOPMENT IS REALLY ABOUT, AND THE PROGRESS THAT  
19 ONE CAN MAKE IN MARKET DEVELOPMENT IS ABOUT THIS  
20 PATTERN OF ACTIVITY. COULD BE A FOOD WASTE  
21 OPERATION HERE, A NUMBER OF PLASTICS PROCESSORS,  
22 MANUFACTURERS, AN ORGANICS PERSON HERE AND THERE.  
23 THE MEASURE OF OUR SUCCESS REALLY IS WHETHER THE  
24 PATTERN OF DEVELOPMENT, NOT INDIVIDUAL PROJECTS,  
25 BECAUSE THEY'RE GOING TO SURVIVE OR FAIL ON ANY

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1       NUMBER OF BASES, BUT IS THE PATTERN ONE THAT IS  
2       SHOWING SIGNS OF HEALTH AND GROWTH.

3                       LOANS ARE ONE FACTOR, THE ZONE --  
4       LEVEL OF ZONE ACTIVITY IS ANOTHER, THE PERMITTING  
5       AND ENFORCEMENT THAT TIES INTO OUR FACILITATION  
6       ROLE, MAKING IT A PERMITTING AND ENFORCEMENT  
7       SYSTEM THAT IS BOTH PROTECTIVE OF THE ENVIRONMENT,  
8       BUT IS FRIENDLY AS IT CAN BE WITHIN THAT FRAMEWORK  
9       TO BRINGING BUSINESSES ON-LINE, THIS IS ALL --  
10      THIS IS THE PATTERN OF MARKET DEVELOPMENT, AND  
11      IT'S A BUSINESS-BY-BUSINESS PROPOSITION. IT'S NOT  
12      GLAMOROUS ON A DAY-TO-DAY BASIS, BUT TOGETHER, IF  
13      THE PATTERN IS HEALTHY, THE RESULTS CAN BE QUITE  
14      DRAMATIC OVER TIME.

15                     AND WHEN YOU'RE LOOKING AT SOMETHING  
16      LIKE A MILLION TONS OF NEW MARKET CAPACITY, THAT  
17      IS A VERY SIGNIFICANT NUMBER. ONE MILLION TONS  
18      WOULD BE ROUGHLY NOT QUITE A TENTH OF THE NEW  
19      MARKET WE NEED IN SUPPORT OF AB 939. SO IT IS  
20      HELPFUL TO US TO HEAR THE SPECIFICS, AT LEAST AT  
21      SOME LEVEL, AND I APPRECIATE YOUR REPORT, JOHN.

22                     I WONDER, MR. PENNINGTON, DO YOU  
23      HAVE --

24                     MEMBER PENNINGTON: NO. I THINK YOU'VE  
25      SAID IT ALL.

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1                   MR. CAPUTI: I'D LIKE TO MAKE ONE FINAL  
2 POINT OR A COUPLE THINGS. ONE, THAT WE HAVE THE  
3 TWO MOST RECENT EPA REPORTS ON THE BACK TABLE IF  
4 ANYONE IN THE AUDIENCE IS INTERESTED. AND  
5 ADDITIONALLY, WE DO THE RMDZ MARKETING, RIGHT NOW  
6 WE'RE NOT HURTING FOR BUSINESSES FOR TECHNICAL  
7 ASSISTANCE. I HAVE PLENTY OF WORK.

8                   WHAT WE'RE REALLY TRYING TO  
9 EMPHASIZE IS FINDING SOME LOAN BUSINESSES AT THIS  
10 POINT. SO THAT'S KIND OF WHERE OUR EMPHASIS FOR  
11 THE MARKETING AT THIS TIME.

12                  CHAIRMAN RELIS: THANK YOU VERY MUCH.

13                  MS. TRGOVCICH: MR. CHAIRMAN, THE NEXT  
14 ITEM AND FINAL ITEM ON YOUR AGENDA IS THE UPDATE  
15 ON THE IMPLEMENTATION OF THE PRIVATE BUY RECYCLED  
16 STRATEGY. THERE'S A LOT OF EXCITING THINGS GOING  
17 ON IN THIS PROGRAM. MINDY FOX WILL BE OVERVIEWING  
18 IT FOR YOU. AND WE HAVE SOME VERY TANGIBLE  
19 PRODUCTS THAT WE'LL HOPEFULLY BE ABLE TO BE  
20 DEMONSTRATING SOMETIME IN THE NEXT MANY MONTHS.

21                  MS. FOX: IN FACT, WE'LL DEMONSTRATE ONE  
22 TODAY IN TERMS OF THE SLIDE SHOW, WHICH I'LL GET  
23 TO. GOOD MORNING. I'M MINDY FOX, MANAGER OF THE  
24 BUY RECYCLED SECTION. AND I'M HERE TO PROVIDE  
25 YOU, AS CAREN INDICATED, WITH AN UPDATE ON



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1 IMPLEMENTATION OF THE PRIVATE BUY RECYCLED  
2 STRATEGY.

3 AS YOU RECALL, WHEN THAT WAS  
4 ADOPTED, IT OUTLINED SOME ALLIANCES THAT WE NEEDED  
5 TO WORK WITH. THE FIRST I'D LIKE TO ADDRESS IS  
6 THE RECYCLED PAPER COALITION, WHICH WAS TAKING  
7 PLACE OF FORMING A PAPER ALLIANCE. AND WE HAVE  
8 GREAT NEWS GOING ON IN TERMS OF THE RECYCLED PAPER  
9 COALITION AND THE RELATED PROJECT THAT WE'RE  
10 CALLING THE MODEL GREEN BUILDING PROJECT IN  
11 GLENDALE.

12 THERE'S THE THREE-BUILDING TENANT  
13 COMPLEX THAT YOU'VE ALL HEARD MUCH ABOUT,  
HOUSING

14 OVER 1600 EMPLOYEES. WE JUST GOT OUR QUARTERLY  
15 REPORT THAT INDICATES THEY'RE SAVING UP TO \$1900  
16 PER MONTH IN AVOIDED DISPOSAL COST AND 2500 PER  
17 MONTH IN RECYCLING REVENUE. SO THEY ARE UP AND  
18 RUNNING IN TERMS OF IMPLEMENTING A COMPREHENSIVE  
19 WASTE REDUCTION PROGRAM. IT SOUNDS LIKE ALL THE  
20 EMPLOYEES ARE ON BOARD, AND POSSIBLY ON JUNE  
24TH

21 THERE WILL BE KIND OF A MID-SEASON RALLY TO  
22 CONGRATULATE THEM ON THEIR SUCCESSES AND EFFORTS  
23 TO DATE AND ENCOURAGE THEM TO GO THE EXTRA MILE.  
24 AND ALL THE BOARD MEMBERS WILL BE HEARING ABOUT

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25        THAT THROUGH THE PIO OFFICE AND INVITED TO HELP

1       KIND OF KICK THE THING OFF.

2                       AND THERE'S A COUPLE THINGS ON THE  
3       DRAWING BOARD RELATIVE TO THAT EVENT.  THERE'S  
4       TALK OF A SCAVENGER HUNT IN THE THREE BUILDINGS  
5       WITH RECYCLED-CONTENT PRODUCTS HIDDEN IN VARIOUS  
6       OFFICES AND WINNERS GETTING GREAT PRIZES, OF  
7       COURSE, RECYCLED-CONTENT PRODUCT.  THERE'S TALK OF  
8       A SLOGAN CONTEST.  AND KIND OF A LONGSHOT, BUT IT  
9       WOULD BE GREAT T.V. COVERAGE IF WE CAN GET IT, THE  
10      DISNEY STORE IS ONE OF OUR BUSINESSES IN THAT  
11      COMPLEX, AND THEY'RE ASKING IF A CHARACTER, WHO  
12      I'M NOT FAMILIAR WITH, BUT PROBABLY WILL BE SO NOW  
13      AS A PARENT, MCSCROOGE DUCK, I THINK, IS HIS NAME.  
14      HE'S KIND OF A MISERLY KIND OF CHARACTER.  ANYBODY  
15      KNOW?  THEY'RE GOING TO HAVE HIM COME OUT --

16                   MEMBER PENNINGTON:  ISN'T THAT DONALD  
17      DUCK'S UNCLE?

18                   MS. FOX:  YEAH, EXACTLY.  IT'S DONALD  
19      DUCK'S UNCLE.

20                   MEMBER PENNINGTON:  I'M UP ON MY DUCK  
21      FAMILY.

22                   MS. FOX:  IF HE CONCURS WITH THIS EVENT,  
23      HE'LL BE THERE IN CHARACTER IN DRESS, AND THEY'LL  
24      KIND OF STAGE SOME SORT OF MONEY COUNTING DISPLAY  
25      WHERE THEY'RE INDICATING THE SAVINGS THAT THESE

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1       BUSINESSES ARE SEEING AT THIS STAGE OF THE GAME.  
2       IF WE GET THE DUCK GUY THERE, WE MIGHT STAND A  
3       GREAT CHANCE OF HAVING SOME T.V. COVERAGE.

4               MEMBER PENNINGTON:   HAVE A DUCKY GOOD  
5       SHOW.

6               MS. FOX:   YEAH, HAVE A DUCKY GOOD SHOW,  
7       EXACTLY.   SO THAT'S KIND OF THE L.A. EFFORT.

8               IN THE RELATED EFFORT IS 25,000 WAS  
9       LATER APPROVED BY THE BOARD FOR TWO MORE MODEL  
10      GREENS, ONE IN NORTHERN CALIFORNIA, ONE IN  
11      SOUTHERN, AND WE HAVE PUT OUT LETTERS AND CONTACTS  
12      TO TWO BUSINESSES, TWO COMPANIES, IN THE  
13      RESPECTIVE AREAS, THE MONEY STORE UP HERE IN  
14      NORTHERN CALIFORNIA AND NISSAN CORP IN SOUTHERN  
15      CALIFORNIA.   AND WE HAVE NOT HEARD IF THEY ARE  
16      WILLING TO PARTICIPATE.

17              I CAN'T IMAGINE VERY MANY COMPANIES  
18      SAYING NO BECAUSE IT'S THE EQUIVALENT OF RECEIVING  
19      \$12,500 OF FREE, YOU KNOW, ADVICE ON HOW TO SAVE  
20      MONEY AND IMPLEMENT WASTE REDUCTION PROGRAMS AND  
21      BUY RECYCLED.   SO WE'RE HOPING TO HEAR GOOD NEWS  
22      AND KICK THAT IMPLEMENTATION OF THAT CONTRACT OFF  
23      IMMEDIATELY.

24              AND RELATED TO THE GLENDALE EFFORT,  
25      I SHOULD DEFINITELY MENTION 18 NEW MEMBERS HAVE

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1 JOINED THE RECYCLED PAPER COALITION AS A RESULT OF  
2 THAT MODEL GREEN BUILDING EFFORT, WHICH IS A  
3 GREAT SHOW IN TERMS OF SOUTHERN CALIFORNIA BECAUSE  
4 THEY'VE HAD SUCH DECLINING MEMBERSHIP DUE TO  
5 DOWNSIZING AND, YOU KNOW, BAD ECONOMY AND SUCH.  
6 SO THAT'S A FABULOUS NEWS ACTUALLY. AND WE HOPE  
7 TO SEE SIMILAR KIND OF RESULTS WITH THE MODEL  
8 GREENS UP HERE. SO THAT'S BASICALLY THE PAPER  
9 COALITION IN A NUTSHELL.

10 ON THE BUILDING AND CONSTRUCTION  
11 FRONT, WE HAVE SOME GOOD NEWS IN SAN DIEGO, SANTA  
12 BARBARA, L.A., AND POSSIBLY ALAMEDA COUNTY. IN  
13 SAN DIEGO WE'RE ABOUT TO SIGN AN MOU FOR THE  
14 RECYCLED-CONTENT BUILDING PRODUCT MOBILE EXHIBIT.  
15 AND THEY HAD HOPED TO HAVE THAT THING CONSTRUCTED  
16 BY EARTH DAY. THEY DIDN'T MAKE IT. THEY'RE NOW  
17 SAYING JUNE, AND THEY'LL HOUSE IT INITIALLY FIRST.  
18 AND WE'RE DOING OUR RESEARCH RIGHT NOW OF THE BEST  
19 VENUES TO TAKE IT TO. AND IN THAT MOU WE WILL BE  
20 GRANTED THE OWNERSHIP USE OF THAT EXHIBIT THREE  
21 CONSECUTIVE MONTHS OUT OF EACH YEAR. AND WE'RE  
22 DOING OUR RESEARCH ABOUT THE BEST VENUES WHICH  
23 WILL DICTATE THE THREE MONTHS WE WANT IT IN.

24 AND WE HAVE TALKED ABOUT THE STATE  
25 FAIR AS BEING ONE OPTION. IT'S A LITTLE BIT



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1       PRICEY, BUT WE'RE CHECKING INTO IT, AND WE'RE  
2       LOOKING INTO SOME CREATIVE BUDGET SOLUTIONS WITH  
3       ASSOCIATIONS POSSIBLY FUNDING SOME OF THE COST TO  
4       PUT THE DISPLAY AT VENUES, SOME OF THE STORAGE  
5       COSTS, THAT KIND OF THING.

6                       AND IT WILL BE ON A TRAILER AND CAN  
7       BE PULLED EASILY. AND RICK MULLER HAS BEEN REALLY  
8       INSTRUMENTAL IN RECOMMENDING SOME OF THE PRODUCTS  
9       THAT COULD BE UTILIZED IN THAT. AND THEY'RE --  
10      ALL THE DONATORS OF THOSE PRODUCTS ARE GOING TO  
11      HAVE A PLAQUE, YOU KNOW, RECOGNIZING THEIR EFFORTS  
12      AND THEN INFORMATION FOR THE AVERAGE VIEWER  
13      WALKING THROUGH THAT DISPLAY SO THEY KNOW WHAT  
14      THEY'RE LOOKING AT.

15                     AND THEY'RE IN NEGOTIATIONS -- SAN  
16      DIEGO IS IN NEGOTIATION RIGHT NOW WITH THEIR LOCAL  
17      UTILITY COMPANY TO TAKE CARE OF SOME OF THE  
18      LIGHTING AND OTHER ELECTRICAL NEEDS OF THAT  
19      TRAILER AND POSSIBLY SOME REAL HIGH TECH COMPUTERS  
20      THAT WOULD SHOW ENERGY SAVINGS AND RELATED  
21      SUSTAINABILITY EFFORTS ON A COMPUTER PROGRAM. AND  
22      WE HAVEN'T HEARD THE ANSWER FROM THAT UTILITY  
23      COMPANY YET.

24                     SO IN THE NEAR FUTURE WE HOPE TO  
25      ACTUALLY BE COOWNERS OF A MOBILE EXHIBIT, WHICH IS

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1 GREAT NEWS BECAUSE THIS AGENCY HAS BEEN ATTEMPTING  
2 TO DO THAT FOR AT LEAST FIVE YEARS THAT I'M AWARE  
3 OF. SO IT'S KIND OF ABOUT TIME.

4 AND IN SANTA BARBARA THE  
5 SUSTAINABILITY PROJECT THAT WE'D WORKED VERY  
6 CLOSELY WITH IN THE PAST HAS MADE A DECISION TO  
7 REALLY MOVE INTO THE ARENA OF PUTTING UP BUILDINGS  
8 IN A SUSTAINABLE MANNER. AND THEY'VE ALREADY  
9 SELECTED THEIR FIRST PROJECT. IT'S THE VAN ATTA  
10 DESIGN STUDIO, AND THE ARCHITECT IS BLACKBIRD &  
11 ASSOCIATES.

12 AND RICK MULLER HAS PROVIDED THAT  
13 ARCHITECT WITH A LIST OF OVER ONE HUNDRED  
14 SUGGESTED PRODUCTS THAT WOULD BE APPROPRIATE FOR  
15 THAT APPLICATION. AND RICK GOT THE BLUEPRINTS,  
16 WENT THROUGH THEM, AND NOW THE ARCHITECT IS  
17 REVIEWING RICK'S LIST. AND WE'LL HEAR HOW MANY  
18 KIND OF MAKE IT INTO THE REAL BUILDING. AND  
19 LATER, AFTER I'M FINISHED, RICK'S GOING TO  
20 ELABORATE A BIT ON THIS VIA THE SLIDE SHOW,  
WHICH

21 I'LL GET TO.

22 AND WE HOPE THAT THERE'S GOING TO  
BE  
23 MANY MORE SIMILAR PROJECTS LIKE THIS IN THE

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SANTA

24 BARBARA ARENA BECAUSE THAT HAD BEEN ONE OF OUR  
25 REGIONAL ALLIANCES THAT WE ENTERED INTO EARLY  
ON,

1       AND THEY'RE REALLY EXCITED, THAT SUSTAINABILITY  
2       PROJECT, ABOUT BRINGING BUILDERS, ARCHITECTS,  
3       DEVELOPERS, ETC., TOGETHER, ALL THE KEY PLAYERS,  
4       TO ACTUALLY CONSTRUCT IN A SUSTAINABLE FASHION.  
5       AND THEY ARE REAL EXCITED ABOUT HAVING OUR HELP TO  
6       DO SO. SO IT'S GREAT THAT WE'RE MOVING IN THAT  
7       DIRECTION.

8                       IN TERMS OF THE PLAYA VISTA PROJECT  
9       THAT EVERYBODY IS FAMILIAR WITH, THE ACTUAL  
10      DEVELOPMENT DOWN THERE IS STILL AT A STANDSTILL  
11      DUE TO SOME MONEY ISSUES THAT BIG PLAYERS NEED TO  
12      WORK OUT. BUT IN THE MEANTIME OUR PLAYA VISTA  
13      MANUAL HAS BEEN COMPLETED AT THIS END TO THE POINT  
14      WHERE WE SENT IT TO THE CITY OF L.A. AND KELLY  
15      INGALLS, KIND OF THE BUILDING CONSTRUCTION GURU  
16      THERE, IS REVIEWING IT, AND IT COULD BE BACK IN  
17      THE MAIL TODAY, WE'RE HOPING, ANY DAY. AND HE HAD  
18      A CONSULTANT ALSO ASSIST WITH IT, AND THEY'RE  
19      PREPARING AN ADDITIONAL CHAPTER AND POSSIBLY  
20      ADDING 20 GREEN BUILDING CASE STUDIES TO THE  
21      MANUAL.

22                      AND THEN THAT MANUAL WILL BE EASILY  
23      ADAPTABLE TO ANY OTHER DEVELOPMENT PROJECT THAT WE  
24      CAN BECOME INVOLVED IN, AND WE PLAN TO UTILIZE IT  
25      WITH DEPARTMENT OF GENERAL SERVICES AND THE STATE

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1 ARCHITECT OFFICE AND SUCH FOR THE CAL/EPA  
2 BUILDING. SO IT'S GOING TO BE A GREAT TECHNICAL  
3 MANUAL REFERENCE TOOL THAT WE HAVE FOR A MULTITUDE  
4 OF PURPOSES AND WILL BE VERY HELPFUL FOR PLAYA  
5 VISTA WHEN THEY GET GOING.

6 CHAIRMAN RELIS: ON THAT POINT, WHAT IS  
7 OUR ABILITY TO DISSEMINATE THE RESULTS? THERE'S  
8 BOTH THE ON-LINE SYSTEM AND THE, WHAT,  
9 PUBLICATION? WE CAN SEND IT OUT TWO WAYS?

10 MS. FOX: OH, THE MANUAL ITSELF? AT THIS  
11 STAGE OF THE GAME, WE HAVE NOT PUT IT ON THE WEB  
12 BECAUSE IT'S STILL DRAFT. UNTIL WE GET IT BACK  
13 FROM KELLY, WE HAVEN'T DONE THAT. WE CERTAINLY  
14 CAN WHEN IT'S CONSIDERED FINAL, AND WE'LL ALSO  
15 GIVE IT TO CLEARINGHOUSE, THAT KIND OF THING.

16 CHAIRMAN RELIS: BECAUSE I'VE HAD A  
17 NUMBER OF REQUESTS FOR THAT. AND I THINK THAT WE  
18 HAVE TO MAKE A VERY STRONG, CONCERTED EFFORT TO  
19 GET IT TO BUILDING DEPARTMENTS AROUND THE STATE,  
20 TO THE AIA CHAPTERS AROUND THE STATE, THE BUILDING  
21 ASSOCIATIONS, THE PLANNING AND ZONING DEPARTMENTS,  
22 YOU KNOW, SO THEY'RE FAMILIAR THAT THE STATE HAS  
23 SUCH AN OFFERING.

24 MS. FOX: WHERE WE'RE HEADED NEXT, BY THE  
25 WAY, YOU'RE AHEAD OF THE GAME HERE, IS WE'RE



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1       DEVELOPING KIND OF A MARKETING PLAN INFORMALLY.  
2       DON'T WANT TO TURN THIS INTO ANYTHING BIGGER THAN  
3       IT NEEDS TO BE. A MARKETING PLAN OF THE OUTREACH  
4       MATERIALS THAT OUR SECTION HAVE PREPARED, LIKE THE  
5       PLAYA VISTA TECHNICAL MANUAL, THE RECYCLED-CONTENT  
6       PRODUCT DATABASE, THAT KIND OF THING. SO THOSE  
7       AVENUES THAT YOU JUST DESCRIBED WILL BE KIND OF  
8       HEARING FROM US ON A VARIETY OF THINGS WE HAVE TO  
9       OFFER THEM. AND WE'RE IN THE MIDDLE OF CRAFTING  
10      THAT.

11               CHAIRMAN RELIS: WOULD BE VERY INTERESTED  
12      TO SEE WHAT YOUR PLAN IS.

13               MS. TRGOVCICH: WE'LL CERTAINLY BRING IT  
14      BY. JUST AS WE ALWAYS NEED TO KEEP IN MIND, THERE  
15      ARE BUDGETARY CONSTRAINTS AROUND THE PUBLICATION  
16      OF MATERIAL LIKE THIS. I'LL CERTAINLY ENDEAVOR TO  
17      MAKE SURE THAT WITHIN THE CONTEXT OF ANY MARKETING  
18      PLAN THAT WE'RE TRYING TO DO OUR BEST TO TARGET  
19      THE AUDIENCES. IT MAY BE THAT A GIVEN AUDIENCE  
20      DOESN'T NEED THE ENTIRE MANUAL, BUT A COUPLE OF  
21      CHAPTERS WILL SUFFICE, SO WE'RE GOING TO TRY TO  
22      CONSERVE OUR FUNDS THE BEST WAY WE CAN AS WELL.

23               MS. FOX: IT'S A PRETTY BIG ONE TO  
24      PRINT.

25               MEMBER PENNINGTON: LET'S GET IT ON THE  
26      WEB, THOUGH, BECAUSE THEY CAN PULL OFF THE WEB

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1       WHAT THEY WANT AND YOU'RE PAYING TO MAIL IT OR TO  
2       PRINT IT.

3               MS. BROW:   PIECES OF IT ARE ALREADY ON  
4       THE WEB.

5               CHAIRMAN RELIS:   CAROLE, COULD YOU COME  
6       TO THE --

7               MS. BROW:   CAROLE BROW FROM THE MARKETS  
8       BRANCH.   PIECES OF THE MANUAL ARE ALREADY ON THE  
9       WEB IN TERMS OF, LIKE, SOME OF THE CASE STUDIES.  
10      AND STAFF ARE CONSTANTLY ADDING MORE AND MORE.  
11      AND RELATIVE TO THE PRINTING BUDGET PROBLEM, ONE  
12      WAY WE CAN PERHAPS ACCOMPLISH MORE IS BY MAKING A  
13      DOWNLOADABLE VERSION AVAILABLE ON THE WEB SO THAT  
14      THE USER WOULD DOWNLOAD AND PRINT WHATEVER THEY  
15      NEED.

16              MEMBER PENNINGTON:   RIGHT.

17              MS. FOX:   THANKS, CAROLE.   WE'LL  
18      DEFINITELY DO THAT.

19                      SO THAT'S THE PLAYA VISTA SCENE, AND  
20      WE'RE ALL CROSSING OUR FINGERS THAT ACTUAL  
21      CONSTRUCTION, YOU KNOW, ENSUES AT SOME POINT, AND  
22      WE CAN REALLY SINK OUR TEETH INTO ONE OF THE  
23      BIGGEST DEVELOPMENTS SEEN IN SOUTHERN CALIFORNIA,  
24      MAYBE ALL OF NORTHERN CALIFORNIA, AND WE CAN BE  
25      ACTIVE PLAYERS IN DOING THAT IN A SUSTAINABLE

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1 FASHION.

2 CHAIRMAN RELIS: I KNOW I TALKED WITH  
3 J. P. ELLMAN OF THE BOARD OF PUBLIC WORKS  
4 YESTERDAY FROM L.A., AND SHE'S GOING TO PROVIDE US  
5 WITH AN UPDATE SHORTLY ON WHAT SHE THINKS THE  
6 STATUS OF THAT PROJECT IS.

7 MS. FOX: LET US KNOW.

8 AND ON THE ORGANICS FRONT, AS ALWAYS  
9 MENTIONED, WE HAVE NOT FORMED A FORMAL ALLIANCE.  
10 AS INDICATED IN THE STRATEGY, WE ARE ALWAYS  
11 ANALYZING THE NEED FOR THAT. AND TO DATE WE  
12 HAVEN'T FELT THE NEED FOR A FORMAL ALLIANCE  
13 BECAUSE THERE'S BEEN SUCH GREAT WORK DONE IN TERMS  
14 OF OUTREACH REGARDING THE USE OF BOTH COMPOST AND  
15 MULCH.

16 AND THE COMPOST DEMONSTRATIONS THAT  
17 YOU'RE FAMILIAR WITH, THEY HAVE REACHED  
18 COMPLETION. AND PAT PASWATER, THE CONTRACT  
19 MANAGER, HAS RECEIVED THREE OR FOUR OF THE FIVE  
20 FINAL REPORTS. AND IN JULY HE'LL BE COMING BEFORE  
21 THIS COMMITTEE TO GIVE YOU A SUMMARY OF WHAT THOSE  
22 FINDINGS AND CONCLUSIONS WERE IN ALL THOSE  
23 REPORTS.

24 AND THE SIXTH DEMO, THE SOUTHERN  
25 CALIFORNIA ONE WITH UC RIVERSIDE, SANTA BARBARA,

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1 VENTURA, ETC., IT IS DEFINITELY UNDER WAY. PAT  
2 HAS RECEIVED A QUARTERLY REPORT, AND WORK IS  
3 ACTUALLY PROGRESSING QUITE NICELY. THE SEVENTH  
4 DEMONSTRATION, WE'RE STILL WORKING ON SOME  
5 PAPERWORK BETWEEN OURSELVES AND CALTRANS. SO  
6 WE'RE FEELING ACTUALLY QUITE COMFORTABLE WITH THE  
7 LEVEL OF OUTREACH RELATIVE TO COMPOST IN PLACE OF  
8 FORMING A FORMAL ALLIANCE. AND WE ALWAYS LOOK TO  
9 YOU FOR FEEDBACK ON THAT ISSUE IF YOU FEEL  
10 OTHERWISE.

11 AND OUR SECTION HAS PUT TOGETHER A  
12 VARIETY OF OUTREACH MATERIALS. WE'VE DONE CASE  
13 STUDIES ON COMPREHENSIVE WASTE MANAGEMENT PROGRAMS  
14 IMPLEMENTED BY BOTH JURISDICTIONS AND BUSINESSES  
15 AND THE RELATIVE SAVINGS, GREEN BUILDING CASE  
16 STUDIES. I'VE MENTIONED THE RECYCLED-CONTENT  
17 PRODUCT DATABASE. DOC HAS GENEROUSLY PROVIDED TO  
18 US EARLY THIS WEEK ALL THE NONBEVERAGE CONTAINER  
19 LISTINGS FROM THEIR MARKET WATCH, WHICH WILL NOW  
20 BE PUT INTO OUR DATABASE, AND THEY'RE VERY  
21 CALIFORNIA SPECIFIC, WHICH WILL ENHANCE OUR  
22 CALIFORNIA LISTINGS. AND THAT'S GREAT NEWS.

23 AND LASTLY, I'D LIKE TO JUST  
24 HIGHLIGHT THE SLIDE SHOW THAT RICK MULLER HAS PUT  
25 TOGETHER. HE HAS OVER 200 SLIDES, RECYCLED-



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1       CONTENT BUILDING PRODUCTS, CATALOGED IN A CD ROM  
2       FASHION, SO ANYBODY CAN BORROW THAT AND SORT  
3       THROUGH THEM TO MEET ANY KIND OF AUDIENCE'S NEEDS.  
4       AND HE HAS PRIMARILY ARRANGED THEM ACCORDING TO  
5       CSI FORMAT, SO IT WOULD BE REAL FAMILIAR TO  
6       ACTIVE, YOU KNOW, PEOPLE IN THAT FIELD.

7                       AND -- BUT THE BEAUTY OF IT BEING ON  
8       CD ROM IS YOU COULD THEN ORGANIZE IT ACCORDING TO  
9       ANY OTHER KIND OF THEME THAT YOU NEED TO CREATE.  
10      SO RICK'S GOING TO GIVE US ABOUT A FIVE- TO  
11      TEN-MINUTE KIND OF SHOW AND TELL ON THE SLIDE SHOW  
12      SO YOU CAN GET A FEEL FOR WHAT'S HOUSED IN THAT  
13      SLIDE SHOW.  AND HE'S GOING TO DO IT VIA THE VAN  
14      ATTA PROJECT BECAUSE, AS MENTIONED, HE SENT A LIST  
15      OF A -- ABOUT A HUNDRED PRODUCTS THAT COULD BE  
16      USED IN THAT DEVELOPMENT.  AND THE POINT OF THIS  
17      IS THAT MANY OF THESE PRODUCTS WOULD BE  
18      APPROPRIATE IN MEETING OTHER APPLICATIONS.

19                   CHAIRMAN RELIS:  WHILE RICK IS SETTING  
20      UP, I WOULD NOTE THAT NEXT WEEK MY OFFICE WILL BE  
21      MEETING AS A FOLLOW-UP WITH THE NATIONAL RESOURCE  
22      CONSERVATION SERVICE.  THIS IS PART OF THE  
23      DEPARTMENT OF AGRICULTURE.  THEY HAVE A NATIONAL  
24      PROGRAM SET UP TO ASSIST FARMERS IMPLEMENT  
25      CONSERVATION -- ON FARM CONSERVATION PRACTICES  
AND

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1 BACK THIS UP WITH FUNDING ALLOCATIONS TO EACH  
2 STATE.

3 LAST YEAR CALIFORNIA RECEIVED ABOUT  
4 \$5 MILLION FOR THIS. WE ARE TRYING TO PROMOTE,  
5 WITH THE RESOURCE CONSERVATION SERVICE, THE IDEA  
6 OF HAVING COMPOST OR OTHER ORGANIC SOIL AMEND-  
7 MENTS, MULCHES, QUALIFY UNDER THE NATIONAL AND  
8 STATEWIDE SERVICE CRITERIA AS A QUALIFYING  
9 ACTIVITY ELIGIBLE FOR MONEY BY THE SERVICE.

10 SO WE'LL BE MEETING WITH THE STATE  
11 DIRECTOR NEXT WEEK AND MAKING A SITE VISIT TO ONE  
12 OF OUR -- ONE OF THE FACILITIES THAT HAS BEEN PART  
13 OF OUR DEMONSTRATION PROGRAM. IF WE WERE  
14 SUCCESSFUL IN THIS ENDEAVOR, AND IT WILL REQUIRE  
15 THE LOCAL CONSERVATION DISTRICTS TO INDICATE, AND  
16 THERE'S SOME, I THINK, A HUNDRED STATEWIDE, TO  
17 INDICATE THAT THEY WANT TO USE MONIES IN THIS WAY,  
18 WE WOULD HAVE A POTENTIAL INCENTIVE FOR FARMERS  
19 WHO ARE NOT USING COMPOST TODAY TO USE IT OR  
20 ORGANICS AS A CONSERVATION ACTIVITY. THIS COULD  
21 BE VERY INSTRUMENTAL IN EXPANDING OUR MARKET  
22 BECAUSE IT WOULD PROVIDE MONIES FOR UP TO THREE  
23 YEARS UP TO 10,000, I BELIEVE, A YEAR FOR EACH  
24 FARM THAT WOULD UTILIZE THIS.

25 SO WE'LL BE GETTING BACK TO STAFF,

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1       AND I'LL BE REPORTING TO COLLEAGUES ON THE BOARD  
2       ABOUT WHETHER THIS LOOKS LIKE A LIKELY PROSPECT OR  
3       NOT. I'LL LEAVE IT AT THAT.

4               MR. MULLER: GOOD MORNING, MR. CHAIRMAN  
5       AND COMMITTEE MEMBERS. MY NAME IS RICK MULLER.  
6       I'M WITH THE BUY RECYCLED SECTION. AND AS MINDY  
7       MENTIONED, THIS IS REALLY -- I'M REALLY KILLING  
8       TWO BIRDS HERE. I'D LIKE TO FAMILIARIZE THE  
9       COMMITTEE WITH THE -- A NEW PROJECT THAT WE'RE  
10      INVOLVED IN. IT'S THE VAN ATTA DESIGN STUDIO.  
11      AND ALSO AS A WAY OF SELECTING A FEW OF THE  
SLIDES

12      IN THE DATABASE, WHAT I DID IS I LIMITED IT  
TO  
13      PRODUCTS THAT APPEAR TO HAVE APPLICATION TO  
THIS  
14      PROJECT AND, OF COURSE, SOME OF THE PRODUCTS  
THAT  
15      WE SENT TO THE DESIGNERS, WHICH IS BLACKBIRD  
16      ARCHITECTS OF SANTA BARBARA.

17               THE VAN ATTA DESIGN STUDIO IS  
18      LOCATED AT GARDEN STREET AND GUTIERREZ IN  
SANTA  
19      BARBARA. IT'S A 2500 SQUARE FOOT OFFICE  
BUILDING;

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20 IT'S TWO STORIES, AND THERE WILL BE TEN  
OFFSITE

21 PARKING SPACES WHICH ALSO NEED TO BE  
CONSTRUCTED

22 AT ANOTHER BUSINESS LOCATION NEARBY.

23 A PRIMARY DESIGN STRATEGY OF  
THE

24 ARCHITECTS IS TO MAXIMIZE THE NATURAL LIGHT  
THAT'S

25 BROUGHT INTO THE BUILDING, NOT ONLY TO REDUCE

1 ENERGY CONSUMPTION, BUT TO REDUCE THE HEATING  
2 LOADS IN THE BUILDING. SO THEY'VE DONE THIS  
3 THROUGH NORTHEAST FACING STUDIO WINDOWS, WHICH YOU  
4 CAN SEE IN THIS DEPICTION HERE. IT'S A VERY  
5 NARROW BUILDING, SO THE LIGHT CAN EASILY PENETRATE  
6 TO THE REAR WALL.

7 THEY'RE ALSO GOING TO -- THEY'RE  
8 PLANING TO USE SKYLIGHTS AND PERHAPS EVEN LIGHT  
9 TUBES TO BRING IN ADDITIONAL NATURAL LIGHT FROM  
10 THE ROOF.

11 HEATING AND VENTILATION WILL BE VERY  
12 SIMPLE. THERE WILL BE REALLY NO CENTRAL AIR  
13 CONDITIONING SYSTEM OR NO AIR CONDITIONING AT ALL  
14 AND VIRTUALLY NO CENTRAL HEATING SYSTEM, JUST A  
15 SMALL FURNACE, I THINK, LOCATED IN ONE OF THE  
16 SMALL BATHROOMS WITH A SHORT RUN OF DUCTING.

17 REALLY THE IDEA HERE, THE DESIGN  
18 CONCEPT IS THAT THE TEMPERATURE OF THE BUILDING  
19 WILL REMAIN FAIRLY EVEN YEAR-ROUND BECAUSE THERE  
20 WILL BE QUITE A BIT OF THERMAL MASS WHICH WILL  
21 RETAIN HEAT ENERGY. THE THERMAL MASS WILL BE THE  
22 CONCRETE FOUNDATION, A SQUARED CONCRETE  
23 FOUNDATION. THE REAR WALL WILL BE CMU'S OR  
24 CONCRETE MASONRY UNITS OR SOME OTHER CONCRETE  
25 MATERIAL. AND ALSO ONE OF THE SIDE WALLS WILL BE



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1 A GARDEN WALL, WHICH WILL BE EXPOSED INSIDE SO  
2 THAT IT CAN RADIATE HEAT. THERE WILL BE NO  
3 DRYWALL OR ANY INSULATION ON THE INSIDE.

4 THE LANDSCAPING, THERE WILL BE A  
5 GREENBELT ALONG GARDEN STREET, AS YOU CAN SEE IN  
6 THE PICTURE, AND ALSO SOME ROOFTOP GARDENS.  
7 THEY'RE EVEN PLANNING TO COLLECT RAINWATER ON THE  
8 ROOF AND STORE IT FOR SUPPLEMENTING THE IRRIGATION  
9 USES.

10 ANOTHER MAJOR DESIGN GOAL OF THE  
11 DESIGNERS IS A HEALTHY INDOOR ENVIRONMENT. AND  
12 BASICALLY THIS MEANS THEY WANT TO ELIMINATE  
13 PRODUCTS THAT HAVE ADHESIVES THAT OFF GAS VOC'S  
14 AND OTHER TOXIC SUBSTANCES. WHILE THIS IS  
15 EXCELLENT AND SUSTAINABLE DESIGN, IT DID CREATE A  
16 LITTLE BIT OF A CHALLENGE FOR ME BECAUSE, FRANKLY,  
17 RECYCLED CARPET, CARPET PADDING, AND RECYCLED  
18 PAINT ARE SOME OF MY FAVORITE PRODUCTS. THEY TEND  
19 TO BE SOME OF THE MOST COST-EFFECTIVE RECYCLED  
20 PRODUCTS. SO -- BUT WE WERE ABLE TO LOCATE A  
21 NUMBER OF PRODUCTS DESPITE THE SMALL HANDICAP.

22 THE -- BEFORE I GO ON TO THE SLIDES,  
23 I'LL MENTION A FEW PRODUCTS THAT WE REFERRED TO  
24 THEM OR THAT ARE GOING TO BE CONSIDERED HERE THAT  
25 AREN'T IN THE SLIDES. ANY TIME YOU HAVE STEEL,

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1       YOU CAN BE ASSURED THAT THERE IS SOME POSTCONSUMER  
2       STEEL.  THE STEEL WINDOWS, STEEL FRAMED WINDOWS, A  
3       STEEL BIKE RACK, AND, OF COURSE, STEEL REBAR WILL  
4       ALL CONTAIN POSTCONSUMER MATERIALS.

5                       THEY'RE GOING TO BE CONSIDERING --  
6       ONE OF THE PRODUCTS I REFERRED TO THEM WAS A  
7       SINGLE PLY VINYL ROOFING SYSTEM FOR THE BUILT-UP  
8       ROOF THAT THEY'RE DESIGNING FOR, AND THIS WOULD  
9       CONTAIN 15 PERCENT RECYCLED VINYL.

10                      A NUMBER OF COUNTERTOP MATERIALS CAN  
11       BE CONSIDERED WITH EITHER POSTCONSUMER OR  
12       POSTINDUSTRIAL MATERIALS.  DUPONT CORIAN, FOR  
13       INSTANCE, IS ONE THAT HAS POSTINDUSTRIAL MINERALS  
14       AND ACRYLIC PLASTICS THAT I DON'T HAVE ON THE  
15       SLIDES.

16                      THIS IS JUST TO SHOW HOW NARROW THE  
17       BUILDING IS.  THIS IS THE SIDE VIEW FROM PALM  
18       STREET.  AND A SCHEMATIC.  NOTE THAT IT IS A FLAT  
19       COMMERCIAL ROOF REALLY NOT VERY CHARACTERISTIC OF  
20       WHAT YOU THINK A SANTA BARBARA BUILDING.  I  
21       NORMALLY THINK OF A TERRA COTTA TYPE OF ROOF.

22                      THE SITE WORK -- THIS IS THE  
23       MONTEREY REGIONAL SANITATION DISTRICT HEAD-  
24       QUARTERS, AND THIS PARTICULAR -- YOU CAN SEE THE  
25       PLANTS HERE ARE THRIVING IN A REDWOOD SAWDUST

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1 BARK, AND IT'S A COMPOST MADE FROM REDWOOD SAWDUST  
2 BARK AND WASTE PRODUCTS. AND THIS WAS PROVIDED BY  
3 SUNLAND GARDEN PRODUCTS.

4 ANOTHER GREEN BUILDING DEMONSTRATION  
5 IN MISSOULA, MONTANA. THIS SHOWS A MULCH MADE  
6 FROM GREEN WASTE INCLUDING TREE PRUNINGS AND GRASS  
7 CLIPPINGS AND EVEN PINE NEEDLES.

8 THIS IS A PRODUCT I THINK THE  
9 DESIGNERS OF THE VAN ATTA BUILDING SHOULD REALLY  
10 CONSIDER. THIS IS A COMPOSITE PLASTIC PARKING  
11 STOP. IT'S MADE BY BARCO PRODUCTS COMPANY OF  
12 BATAVIA, ILLINOIS. THIS PRODUCT IS 70 PERCENT  
13 COMPOSITE -- CONTAINS 70 PERCENT POSTCONSUMER  
14 PLASTIC, INCLUDING CLEAR FOOD WRAP AND HDPE  
15 DETERGENT BOTTLES AND THAT SORT OF THING.

16 THERE ARE BIG ADVANTAGES TO THIS  
17 KIND OF PRODUCT OVER VIRGIN CONCRETE WHEEL STOPS  
18 WHICH CAN OFTEN CRACK AFTER TWO OR THREE YEARS.  
19 THESE PRODUCTS WON'T CRACK, AND THEY REQUIRE NO  
20 PAINTING SINCE THEY HAVE SOLID COLOR, AND  
THEY'RE

21 CHEAPER TO INSTALL BECAUSE THEY'RE MUCH  
LIGHTER.

22 THEY HAVE A LITTLE BIT HIGHER INITIAL COST  
23 HOWEVER.

24 THE DESIGNERS POSSIBLY COULD USE

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A

25 CONCRETE EXPANSION JOINT FILLER IN THE SITE  
WORK

1        AROUND THE BUILDING.    THIS ONE IS CALLED HOMEX  
2        300.    IT'S MADE BY HOMASOTE COMPANY OF WEST  
3        TRENTON, NEW JERSEY.    I'LL SHOW A NUMBER OF  
4        PRODUCTS FROM THIS MANUFACTURER IN THIS PARTICULAR  
5        SLIDE SHOW.    THIS PRODUCT, UNLIKE SOME ASPHALTIC  
6        SUBSTANCES, WON'T EXTRUDE IN HOT WEATHER OR CRACK  
7        IN COLD WEATHER.

8                        I MENTIONED THE DESIRE TO HAVE A  
9        THERMAL MASS IN THE BUILDING.    THE REAR WALL WILL  
10       BE A -- THEY'RE LOOKING AT CONCRETE CINDER BLOCKS  
11       FOR THE REAR WALL.    THIS IS AN ALTERNATIVE THAT  
12       THEY HAVE TO CONSIDER.    THIS IS CALLED RASTRA  
13       BLOCK BUILDING SYSTEM, AND THIS PARTICULAR  
14       MATERIAL IS MADE IN PALM SPRINGS, CALIFORNIA.    IT  
15       CONTAINS POSTCONSUMER POLYSTYRENE CEMENT AND  
16       ADDITIVES.

17                      BIG ADVANTAGE TO THIS PRODUCT IS ITS  
18       PERMANENT FORM WORK.    THE FORMS ACTUALLY BECOME  
19       PART OF THE BUILDING WHEN IT'S COMPLETED.    THEY  
20       DON'T HAVE TO MORTAR.    BASICALLY THE FORMS ARE  
21       CLIPPED TOGETHER WITH METAL FASTENERS, AND YOU CAN  
22       CUT DOORS AND WINDOWS WITH A CHAIN SAW.    AND ONCE  
23       THE FORMS ARE UP, THEY POUR CONCRETE AND, OF  
24       COURSE, THEY PLACE REBAR INSIDE TO CREATE A  
25       MONOLITHIC STRUCTURE.    SO THERE IS A LABOR SAVING



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1       ADVANTAGE TO THIS KIND OF TECHNIQUE.  THIS IS THE  
2       RASTRA BUILDING SYSTEM UNDER CONSTRUCTION.

3                       AND HERE WE SEE A MCDONALD'S  
4       COMPLETED WITH USING THIS BUILDING SYSTEM.  ON THE  
5       LOWER END OF THE SCREEN, YOU WILL SEE SOME WHAT  
6       LOOK LIKE STANDARD CONCRETE CINDER BLOCKS.  THESE  
7       BLOCKS, MADE BY PHOENIX -- I'M SORRY -- SUPERLITE  
8       BLOCK COMPANY OF PHOENIX, ARIZONA, ACTUALLY  
9       CONTAIN 25-PERCENT FLY ASH, WHICH IS A BY-PRODUCT  
10      OF THE COAL BURNING INDUSTRY.

11                      THIS MATERIAL ACTUALLY COULD BE  
12      CONSIDERED A HAZARDOUS WASTE; BUT ONCE IT'S PUT  
13      INTO CONCRETE, IT WILL NOT MIGRATE OUT OF THE  
14      CONCRETE.  IT DISPLACES 25 PERCENT PORTLAND  
15      CEMENT, WHICH IS A VERY ENERGY INTENSIVE MATERIAL.  
16      SO THERE'S AN ENERGY SAVING ELEMENT.  AND MORE --  
17      MOST IMPORTANT, THE FLY ASH ADDS PROPERTIES TO  
18      CONCRETE THAT ACTUALLY MAKES IT STRONGER AND EVEN  
19      SMOOTHER.  SO WHERE FLY ASH IS AVAILABLE, THIS IS  
20      A GREAT PRODUCT.

21                      THE SAME HOLDS TRUE FOR CONCRETE  
22      FOUNDATIONS.  FLY ASH IN THIS PARTICULAR  
23      FOUNDATION WAS ADDED UP TO 20 PERCENT FOR THE SAME  
24      STRUCTURAL ADVANTAGES AND ENERGY SAVING  
25      ADVANTAGES.  THERE ARE OTHER PRODUCTS, POST-

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1 INDUSTRIAL PRODUCTS, THAT COULD BE ADDED TO  
2 CONCRETE, STUCCO, AND ASPHALT THAT ALSO PROVIDE  
3 STRUCTURAL ADVANTAGES AND DISPLACE VIRGIN  
4 MATERIALS.

5 ONE EXAMPLE IS POLYPROPYLENE FIBER  
6 FROM THE CARPET MANUFACTURING INDUSTRY. ONE MAJOR  
7 SUPPLIER OF THIS MATERIAL IS CALLED MARTIN  
8 COLOR-FI, AND THEY -- AS I SAID, THE OPTION IS TO  
9 ADD POLYPROPYLENE TO CONCRETE FOR SOME  
10 APPLICATIONS.

11 A LOT OF THE WALLS IN THE VAN ATTA  
12 DESIGN STUDIO, THEY'RE BASICALLY LOOKING AT  
13 CONVENTIONAL STICK BUILT TYPE OF CONSTRUCTION  
14 USING STUDS. THIS IS AN ALTERNATIVE FOR BOTH SOME  
15 OF THE EXTERIOR LOAD BEARING WALLS AND THE  
16 INTERIOR WALLS. THIS IS CALLED A STRESS SKIN  
17 PANEL SYSTEM, AND THIS PARTICULAR ONE IS A  
18 RECYCLED PRODUCT MADE BY ADVANCED CONSTRUCTION  
19 TECHNOLOGIES OF -- FORMERLY OF SACRAMENTO.

20 THEY USE POSTCONSUMER POLYSTYRENE IN  
21 THE INTERIOR CORE OF THE MATERIAL. TO EACH SIDE  
22 THEY HAVE AN ORIENTED STRAND BOARD GLUED TO THE  
23 FOAM, WHICH IS AN ENVIRONMENTALLY FRIENDLY PRODUCT  
24 SINCE IT COMES FROM SECONDARY MATERIALS. FOR  
25 BOTTOM AND TOP PLATE AND WINDOW AND DOOR FRAMES,

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1        THEY USE A RECYCLED-CONTENT PLASTIC LUMBER PRODUCT  
2        CALLED TRIMAX.  IT'S ABOUT 80-PERCENT HDPE,  
3        POSTCONSUMER HDPE, AND 20 PERCENT POSTINDUSTRIAL  
4        FIBERGLASS FROM BAT MANUFACTURING.

5                        THIS IS AN ACTUAL HOME BUILT HERE IN  
6        SACRAMENTO USING THE ACT PANEL SYSTEM.  IT'S, IN  
7        MY OPINION, A VERY ENVIRONMENTALLY FRIENDLY  
8        BUILDING SYSTEM COMPARED TO CONVENTIONAL.  I NOTE  
9        THAT THERE'S VERY LITTLE WOODWASTE OR C&D WASTE  
10       AROUND THE BUILDING.  THAT'S BECAUSE ALL THE --  
11       NEARLY ALL THE C&D WASTE WAS GENERATED IN THE  
12       FACTORY WHERE IT'S MUCH EASIER TO RECYCLE THAN IT  
13       IS AT THE JOBSITE.  THE PANELS ARE POTENTIALLY  
14       EVEN CHEAPER THAN ROUGH CONSTRUCTION.  THEY'RE  
15       MUCH STRONGER.  THEY HOLD MORE WEIGHT OR MORE  
16       COMPRESSIVE WEIGHT, AND THEY'RE EVEN STRAIGHTER,  
17       AND THEY HAVE SUPERIOR INSULATION TO CONVENTIONAL  
18       CONSTRUCTION BECAUSE OF THE FOAM.  IT'S AMAZING  
19       THAT THIS SYSTEM HASN'T CAUGHT ON MORE IN THE  
20       BUILDING INDUSTRY.

21                       ONE THING THAT THE ARCHITECTS WITH  
22        THE VAN ATTA BUILDING ARE LOOKING AT IS USING  
23        REMILLED LUMBER FROM VARIOUS SOURCES.  I THINK  
24        WHAT THEY'RE REALLY LOOKING AT PRIMARILY IS THE  
25        FLOORING TO BE USED IN THE BUILDING.  THEY WANT  
TO

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1 USE A LOCAL SOURCE OF FLOORING WHICH IS REMILLED.  
2 THIS PARTICULAR -- THIS SHOWS SOME ARCHITECTURAL  
3 ELEMENTS MADE BY A COMPANY CALLED JEFFERSON LUMBER  
4 IN NORTHERN CALIFORNIA.

5 WE HAVE HERE BEAMS, PANELING, AND  
6 DOORS MADE FROM REMILLED, RECLAIMED LUMBER. SOME  
7 VERY BEAUTIFUL PRODUCTS ARE MADE WITH THIS  
8 MATERIAL. AND THERE IS A NUMBER OF MANUFACTURERS,  
9 MOST OF THEM IN NORTHERN CALIFORNIA, THAT DO JUST  
10 THIS KIND OF MANUFACTURING.

11 I'M GOING TO QUICKLY SHOW THREE  
12 PLASTIC LUMBER PRODUCTS WHICH MIGHT BE USED FOR  
13 THE DECKING, THE TWO PORCHES THAT ARE SPECIFIED  
14 WITH THE VAN ATTA BUILDING, TO REPLACE WOOD, SUCH  
15 AS REDWOOD OR OTHER WOOD DECKING MATERIALS. BIG  
16 ADVANTAGE TO PLASTIC LUMBER MATERIALS, AND ALL OF  
17 THESE HAVE POSTCONSUMER -- HIGH PERCENTAGES OF  
18 POSTCONSUMER AND POSTINDUSTRIAL CONTENT. BUT THE  
19 BIG ADVANTAGE TO ALL THESE COMPOSITE PLASTIC  
20 LUMBER MATERIALS IS THAT THEY REQUIRE LESS  
21 MAINTENANCE THAN WOOD AND, OF COURSE, THEY WON'T  
22 ROT AS QUICKLY.

23 THIS IS TREX. IT'S A PRODUCT MADE  
24 BY MOBIL CHEMICAL. IT'S MADE FROM POSTINDUSTRIAL  
25 WOODWASTE AND POSTCONSUMER PLASTIC. AND AGAIN,



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1 I'M NOT SHOWING DECKING APPLICATIONS, BUT THERE  
2 ARE EXTERIOR APPLICATIONS WHICH ARE SIMILAR.

3 THIS IS TRIMAX, WHICH I'VE ALREADY  
4 TALKED ABOUT, WITH THE ACT PANELS. IT'S 80  
5 PERCENT POSTCONSUMER HDPE AND 20 POSTINDUSTRIAL  
6 FIBERGLASS.

7 AND THIS IS A PRODUCT CALLED RUMBER  
8 THAT'S CURRENTLY MADE IN MUENSTER, TEXAS, BUT I  
9 UNDERSTAND FROM THE DISTRIBUTOR THAT THEY'RE  
10 OPENING UP A PLANT HERE IN SOUTHERN CALIFORNIA  
11 THIS YEAR. THIS IS AN EXCELLENT DECKING PRODUCT.  
12 THIS IS THE WEST BAY CAFE IN HUNTINGTON BEACH ON  
13 PACIFIC COAST HIGHWAY WHERE I BELIEVE THEY USE THE  
14 MATERIAL BOTH INSIDE AND OUTSIDE. THIS CONTAINS  
15 POSTCONSUMER CRUMB RUBBER FROM OLD TIRES AND  
16 POSTCONSUMER HDPE, I BELIEVE.

17 ONE OF THE DESIGN PROBLEMS THAT THEY  
18 CREATED FOR THEMSELVES WHEN THEY ELIMINATED THE  
19 CARPETING AND THE CARPET PADDING IN THE VAN ATTA  
20 BUILDING IS THAT THEY'RE CONCERNED ABOUT NOISE  
21 FROM THE SECOND FLOOR OF THE BUILDING. SO ONE OF  
22 THE PRODUCTS THAT I SENT FOR EVALUATION WAS A  
23 PRODUCT MADE BY HOMASOTE COMPANY OF WEST TRENTON,  
24 NEW JERSEY. THIS IS A NOISE DEADENING HOMASOTE  
25 PANEL MADE FROM A HUNDRED PERCENT POSTCONSUMER

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1       NEWSPRINT.  THIS PRODUCT WORKS GREAT FOR  
2       COMMERCIAL APPLICATIONS SUCH AS HOTELS WHERE NOISE  
3       CAN BE A PROBLEM.  SO THEY COULD PUT THEIR WOOD  
4       FLOOR OVER THIS MATERIAL, AND THEY WOULDN'T  
5       EXPERIENCE THE NOISE PROBLEM THAT THEY WOULD  
6       OTHERWISE.

7                       HERE'S A VERY SIMILAR PRODUCT MADE  
8       BY THE SAME COMPANY FOR EXTERIOR DECKING.  YOU CAN  
9       SEE IT COMES IN A 4-WAY DECKING WITH A TONGUE AND  
10      GROOVE, AND THIS IS CALLED 4-WAY DECKING.

11                      I'M NOT SURE WHY I INCLUDED THIS  
12      SLIDE.  THIS IS ACTUALLY A FIBERGLASS INSULATION  
13      PRODUCT MADE BY SCHULLER.  I DON'T THINK THE  
14      DESIGNERS WANT TO GO WITH FIBERGLASS, HOWEVER.  I  
15      THINK THEY'RE LOOKING AT PROBABLY CELLULOSE OR  
16      EVEN SOME COTTON BAT TYPE OF INSULATION.

17                      THIS PARTICULAR INSULATION IN  
18      CALIFORNIA, BECAUSE OF THE MINIMUM CONTENT LAW,  
19      HAS TO CONTAIN 30 PERCENT POSTCONSUMER MATERIAL.

20                      THERE ARE SOME MANUFACTURERS OF  
21      SKYLIGHTS WHICH ARE GOING TO BE USED IN THIS  
22      BUILDING WITH THE POSTCONSUMER CONTENT.  THIS ONE  
23      IS 65-PERCENT POSTCONSUMER ALUMINUM IN THE FRAMING  
24      AND AN UNDETERMINED AMOUNT IN THE GLASS --  
25      UNDETERMINED AMOUNT OF POSTINDUSTRIAL GLASS.  THIS

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1       IS MADE BY KALWALL CORPORATION IF MANCHESTER, NEW  
2       HAMPSHIRE, AND IT'S DISTRIBUTED BY CARMEL  
3       ARCHITECTURAL SALES.

4                       THESE ARE RAISED PANEL DOORS MADE BY  
5       MASONITE, AND THEY USE WOODWASTE.   AND THE  
6       INTERIOR CORE, WHICH IS A HONEYCOMB MATERIAL, IS  
7       MADE FROM POSTCONSUMER CRAFT PAPER.

8                       THESE ARE BATHROOM TILES MADE WITH  
9       POSTINDUSTRIAL AUTO GLASS MADE BY TERRA-GREEN  
10      TECHNOLOGIES.   THEY'RE LOCATED SOMEWHERE IN  
11      INDIANA.

12                      RECYCLED PAINT IS SOMETHING THAT THE  
13      DESIGNERS ARE PROBABLY NOT -- GOING TO WANT TO USE  
14      VERY SPARINGLY IF THEY USE IT AT ALL OR REALLY ANY  
15      LATEX PAINT.   THIS IS A LATEX, RECYCLED LATEX  
16      PAINT BE APPLIED.   AND THIS IS AN ELEMENTARY  
17      SCHOOL THAT WAS PAINTED WITH A RECYCLED LATEX  
18      PAINT.   THIS MATERIAL IS ABOUT 50 PERCENT OR MORE  
19      POSTCONSUMER.   IT'S PAINT THAT'S BEEN COLLECTED  
20      FROM HOUSEHOLD HAZARDOUS WASTE COLLECTION.   IT'S  
21      NOT SIMPLY JUST FILTERED.   THEY FILTER IT AND THEN  
22      THEY COMPLETELY REFORMULATE IT, INCLUDING CHEMICAL  
23      BALANCING, PH. BALANCING, AND OTHER PROCESSES.   SO  
24      IT REALLY COMES UP TO A VERY HIGH STANDARD.   AND  
25      IN MANY CASES THIS PAINT CAN BE LESS EXPENSIVE

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25 COMPANY, ALSO A HUNDRED PERCENT NEWSPRINT,

1 POSTCONSUMER NEWSPRINT, AND THIS IS CALLED NOVA  
2 CORK.

3                   HERE'S AN EXAMPLE OF A REFINISHED  
4 FLOOR. THIS IS EXACTLY WHAT THE BLACKBIRD  
5 ARCHITECTS WOULD LIKE TO DO IN THE VAN ATTA  
6 BUILDING. THIS PICTURE COMES FROM A DEMONSTRATION  
7 BUILDING IN MISSOULA, MONTANA. AND THEY SALVAGED  
8 THIS BEAUTIFUL MAPLE FLOOR FROM A LOCAL CHURCH.

9                   ANOTHER TYPE OF DRYWALL MATERIAL,  
10 MORE DURABLE THAN CONVENTIONAL GYPSUM BOARD, IS  
11 MADE BY LOUISIANA PACIFIC. IT'S CALLED FIBERBOND.  
12 THIS PARTICULAR MATERIAL CONTAINS ABOUT 17 PERCENT  
13 POSTCONSUMER O&P AND OTHER ADDITIVES. AND IT'S  
14 MOSTLY USED IN SITUATIONS WHERE THE WALLBOARD IS  
15 GOING TO TAKE A BEATING.

16                   THIS IS SYNDECRETE BY SYNDESIS  
17 INCORPORATED OF SANTA MONICA, CALIFORNIA. IT'S A  
18 PRECAST, LIGHTWEIGHT ADVANCED CEMENT-BASED  
19 MATERIAL. I MENTION THAT FLY ASH AND POLY-  
20 PROPYLENE FIBER ADD STRUCTURAL PROPERTIES TO  
21 CONCRETE, AND THIS MATERIAL CONTAINS ABOUT 12  
22 PERCENT RECOVERED FLY ASH AND PROPYLENE FIBER.  
IT  
23 HAS -- IT'S ABOUT HALF THE WEIGHT OF NORMAL  
24 CONCRETE AND HAS TWICE THE COMPRESSIVE STRENGTH.

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25

IN ADDITION, THEY CAN ADD UP TO 50

1 PERCENT BY VOLUME POSTCONSUMER PLASTIC AS A  
2 DECORATIVE MIX IN THE MATERIAL. SO IT'S A GOOD  
3 EXAMPLE OF RECYCLED PRODUCT ALTHOUGH IT TENDS TO  
4 BE SOMEWHAT PRICEY.

5 FINALLY, A COUPLE OF -- THEY ARE  
6 GOING TO HAVE A SHOWER STALL IN ONE OF THE  
7 BATHROOMS OF THE VAN ATTA BUILDING. THIS IS A  
8 PLASTIC SHOWER THAT CONTAINS ABOUT 35 PERCENT  
9 POSTINDUSTRIAL AND POSTCONSUMER POLYPROPYLENE.  
10 IT'S MADE BY CAPITOL PARTITIONS OF COLUMBIA,  
11 MARYLAND. AND A VERY SIMILAR PRODUCT MADE BY THE  
12 SAME COMPANY FORMED INTO A SHOWER VANITY. SO THEY  
13 COULD SELECT THIS FOR THE BATHROOM COUNTERS AND  
14 KITCHENS.

15 AND THAT'S ABOUT ALL I HAVE. I'D BE  
16 HAPPY TO ANSWER ANY QUESTIONS IF THERE ARE ANY.

17 CHAIRMAN RELIS: I THINK THAT'S A VERY  
18 GOOD COMPREHENSIVE LOOK AT WHAT'S OUT THERE, AND  
19 THESE ARE ALL PRODUCTS THAT YOU WILL BE -- THAT  
20 ARE IN THE CATALOG OR --

21 MR. MULLER: THAT'S CORRECT.

22 CHAIRMAN RELIS: ANY QUESTIONS?

23 MEMBER PENNINGTON: NOT FROM ME. I

THINK

24 THAT WAS VERY NICE THOUGH. THANK YOU FOR THAT  
25 UPDATE.

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1                   CHAIRMAN RELIS:   THANK YOU, RICK.   ANY  
2   OTHER BUSINESS?

3                   MS. TRGOVCICH:   THAT CONCLUDES THE STAFF  
4   ITEMS.

5                   CHAIRMAN RELIS:   BEFORE WE CONCLUDE, I'D  
6   JUST NOTE AT THE CLOSE OF THIS MEETING THAT, FOR  
7   THE RECORD, THE BOARD WILL BE HAVING A CLOSED  
8   SESSION THIS AFTERNOON AT 1:45 P.M.   WE'RE  
9   ADJOURNED.

10

11                                    (THE MEETING WAS THEN ADJOURNED AT  
12   11:10 A.M.)

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